JPRS-WER-86-100 8 OCTOBER 1986

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# WEST EUROPE REPORT

# CONTENTS

# POLITICAL

-	-				n	2.9
D	100	N	M	Λ		~

Government Spared Security Confrontation With Divided Left	
(BERLINGSKE TIDENDE, various dates)	1
Nuclear Arms Vote Avoided, by Morten Larsen	1
Leftists' Defense Cooperation Frustrated, by Thorkild Dahl Socialist Dismisses 'Defensive Defense', by	2
Morten Larsen	3
Petersen Still Seeks Cooperation, by Morten Larsen	4
FEDERAL REPUBLIC OF, GERMANY	
June 15 Voting Patterns Called Typical for Lower Saxony	5
(FRANKFURTER ALLGEMEINE ZEITUNG, 18, 19 Jun 86)	)
National Trends Unclear, by Kurt Reumann	5
National Issues Important, by Dieter Oberndoerfer, Gerd Mielke	7
FINLAND	
Divided Communist Party Prepares for Election Campaign	
(Various sources, various dates)	11
Large Parliamentary Seat Loss, Editorial	11
Stalinist Organ: Heal Split, Editorial	12
Central Committee Confirms Split	13
SKDL Campaign Platform Presented	14

# GREECE

	Briefs Succession Denied	18
	Succession Denied	10
NETHER	LANDS	
	Consequences If Coalition Loses Majority in First Chamber (Frits Van Vugt; DE VOLKSKRANT, 20 Aug 86)	19
	Government Policy on Asylum for Refugees Attacked (ANP NEWS BULLETIN, 21 Aug 86)	22
	Medical Assistance to Suriname Resumed (ANP NEWS BULLETIN, 1 Sep 86)	24
NORWAY		
	Conservative Party Sets Postwar Poll Record With Support (AFTENPOSTEN, 6 Sep 86)	25
	Support Equal to Labor's, by Bjorn Talen Economy Behind Government's Setback, by Bjorn Talen Former Center Party Leader Comments, Erland Steenberg Interview Newspaper Comments on Poll, Editorial	25 28 29 32
PORTUG	AL	
	Cavaco Silva, Freitas do Amaral Agree on Nonpartisanship (TEMPO, 22 Aug 86)	34
	Profile of New CGTP-IN Union Leader Provided (Jose Pedro Castanheira; O JORNAL, 22 Aug 86)	36
	MDP Leaves Alliance With PCP (Lilia Marcos; SEMANARIO, 2 Aug 86)	39
	Membership in 21st Century Foundation Belies Nonpolitical Claims (Joan Rosa; TEMPO, 1 Aug 86)	41
	PCP Reportedly Satisfied With Political Achievements (Oscar Mascarenhas; DIARIO DE NOTICIAS, 12 Aug 86)	42
	PRD Readying for 'Survival Struggle' (J. Fragoso Mendes; DIARIO DE NOTICIAS, 13 Aug 86)	47
	Defense Minister's Role Praised Despite Difficulties (Ribeiro Ferreira; TEMPO, 1 Aug 86)	50

# SOCIAL

FEDERA	L REPUBLIC OF GERMANY	
	Bonn Studies Violence, Plans Response (FRANKFURTER ALLGEMEINE ZEITUNG, 30 Jul 86)	5
GREECE		
	National Character Traits Seen Affecting Country's Future (Nikos Dimou; TO VIMA, 24 Aug 86)	54
	ECONOMIC	
FINLAN	D	
	Growing Concern Over Exceeding Credit Limit in USSR Trade (HELSINGIN SANOMAT, various dates)	56
	Paper Urges Government Action, Editorial	56
	Opportunities in Joint Projects, Editorial	57
	Soviet Official Makes Proposals	59
	Quicker Soviet Decision Making Urged, by Kustaa Hulkko	61
NETHER	LANDS	
	Survey Shows More Optimism on Economy (ANP NEWS BULLETIN, 3 Sep 86)	63
	Agricultural Agreement With PRC Signed (ANP NEWS BULLETIN, 26 Aug 86)	65
PORTUG	AL	
	Economic Situation Viewed With Optimism (Jacinto Nunes; DIARIO DE NOTICIAS, 14 Aug 86)	67
SPAIN		
	Economy Ministry Sets Employment Policy for 1987 (EL PAIS, 10 Aug 86)	70
	Government Plans for 4 Percent Rise in Pensions, Pay for 1987 (Gustavo Matias; EL PAIS, 10 Aug 86)	72
	Industrial Capacity Percentage for 1985 Reported (EL ALCAZAR, 8 Aug 86)	74
	Investment Level Reported at 12-Year High (Carlos Azuaga; DIARIO 16, 16 Aug 86)	76

# MILITARY

EUROPEAN AFFAIRS	
Danish Minister: 'Defensive Defense' Would Impact Neighbors (Thorkild Dahl; BERLINGSKE TIDENDE, 5 Sep 86)	78
DENMARK	
Defense Minister Defends Plan To Purchase Stinger Missiles (Thorkild Dahl; BERLINGSKE TIDENDE, 6 Sep 86)	80
NATO Officers Give High Marks to Country's Soldiers (Erik Boesgaard; BERLINGSKE TIDENDE, 3 Sep 86)	81
Forces Commander Rejects SDP Charge of Excess Service Rivalry (Nils Eric Boesgaard; BERLINGSKE TIDENDE, 2 Sep 86)	82
Home Guard Organization, Resources, Missions Outlined (Nils Eric Boesgaard; BERLINGSKE TIDENDE, 17 Aug 86)	84
FEDERAL REPUBLIC OF GERMANY	
Krauss-Maffei/Diehl Releases Details of Puma ACV Family (Wolfgang Flume; WEHRTECHNIK, Aug 86)	88
FRANCE	
Thomson Reportedly To Restructure Military Branch (Pierre Laurent; L'HUMANITE, 6 Sep 86)	98
ENERGY	
CYPRUS	

Briefs
Iraqi Debt Repayment

100

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#### GOVERNMENT SPARED SECURITY CONFRONTATION WITH DIVIDED LEFT

Nuclear Arms Vote Avoided

Copenhagen BERLINGSKE TIDENDE in Danish 1 Sep 86 p 6

[Article by Morten Larsen; first paragraph is BERLINGSKE TIDENDE introduction]

[Text] The Socialist People's Party [SF] will not try to win approval for a resolution making Denmark a nuclear-free zone even in peacetime. This means the government will be spared a resolution that would jeopardize NATO's reinforcement agreements.

The government will not be faced this fall with a Folketing resolution that would in reality prohibit bringing NATO reinforcements with nuclear weapons to Denmark in a crisis situation.

The Socialist People's Party does not think such a resolution can be passed and for this reason the party will refrain from starting an interpellation debate on the subject.

The possibility had been aired by SF and the Left-Socialists [VS] early this summer when Social Democratic chairman Anker Jorgensen made statements leading to speculation that the Social Democrats were prepared to declare Denmark a nuclear-free zone on a unilateral basis.

"But Anker Jorgensen quickly backed down or at any rate said that he had been misunderstood by the press. Therefore we will not try to win approval for a resolution of this kind. We do not want to create a situation that splits the alternative security policy majority," said SF chairman Gert Petersen after the party's summer group meeting at Peace High School in Brenderup, Fyn.

Instead the party will start an interpellation debate in Folketing on how the government has complied with a resolution passed in the spring.

It stated that Denmark in combination with other countries or on its own will work for a United Nations resolution calling on NATO and the Warsaw Pact countries to negotiate an agreement to the effect that neither side will be the first to use nuclear weapons in a war. "We would like to look into what

the government has done to comply with the resolution. The answer Foreign Minister Uffe Ellemann-Jensen (Liberal) gave Kjeld Albrechtsen (VS) was very unsatisfactory and suggests that the government has done nothing at all," Gert Petersen said.

Leftists' Defense Cooperation Frustrated

Copenhagen BERLINGSKE TIDENDE in Danish 1 Sep 86 p 4

[Article by Thorkild Dahl; first paragraph is BERLINGSKE TIDENDE introduction]

[Text] The Social Democrats have placed their eggs for a defense compromise after 1987 in the nonsocialist basket, according to Radical Liberal leader Niels Helveg Petersen, who is ready to discuss defense arrangements after that time with the Social Democrats and the Socialist People's Party.

The effort to produce a joint defense agreement between the Social Democrats and SF is over for the time being. The Social Democrats are moving toward a defense compromise with the government parties, but in the next 7 or 8 years a new constellation made up of the Social Democrats, SF and the Radicals will be formed to shape Denmark's defense policy.

SF leader Gert Petersen stressed that the long-range policy will succeed and the SF leader made it plain at a security policy seminar arranged by the Radical Liberals at the new Nordic Peace High School in Brenderup, Fyn, that a compromise involving the three parties is unrealistic at this time.

In a panel discussion with SDP defense policy spokesman Knud Damgaard and Radical leader Niels Helveg Petersen on the subject of non-offensive defense, it was clear that the so-called security policy majority in Folketing could not unite at this time on changing Denmark's defense system, although everyone warmly endorsed a defensive or nonthreatening defense setup.

"The Radicals should step in and fight for their own security policy program," Gert Petersen said.

Niels Helveg Petersen said that the Radical Liberals are prepared to participate in a discussion of future defense arrangements with the Social Democrats and SF, but that this should have a different aim than the present SDP proposal for defense.

Radical leader Niels Helveg Petersen said that the Radicals "can be found here and everywhere that efforts are being made to reduce the defense threat to the rest of the world. We will work to break the vicious circle of the arms buildup when it concerns Denmark's defense structure as well."

The Radical leader sharply criticized the Social Democrats for planning to cooperate with the nonsocialist parties, saying that the party's outline for modernizing defense points toward continued cooperation.

"The Radicals are ready to discuss things, even when it comes to the painful details or the budget. But it is hard for me to see how this can be done when the Social Democrats have placed all their eggs in one basket," said Niels Helveg Petersen.

Both the Radical and SF leaders criticized the Social Democrats for taking "minute steps" in the outline on defensive defense.

Knud Damgaard denied that Denmark would accomplish more by taking dramatic steps toward the goal, a confidence-inspiring nonthreatening defense as part of a Nordic nuclear-free zone.

Among other things Knud Damgaard said that the Social Democrats will not touch the agreements with the United States and Great Britain on reinforcements for Denmark, because this would affect the balance between East and West at this time.

SF leader Gert Petersen said that as a democracy Denmark "has an obligation to take the initiative."

"Denmark should take the initiative and try to use direct channels to the most open Warsaw Pact countries," Gert Petersen said.

Socialist Dismisses 'Defensive Defense'

Copenhagen BERLINGSKE TIDENDE in Danish 2 Sep 86 p 1

[Article by Morten Larsen: "SDP Politicians Disagree on Defense"; first paragraph is BERLINGSKE TIDENDE introduction]

[Text] Poul Sogaard, former Social Democratic defense minister, took issue with party comrade Knud Damgaard following the latter's criticism of defense. Poul Sogaard also said that he does not care for the expression "defensive defense." Denmark's defense has been defensive since 1864, he said.

Former Defense Minister Poul Sogaard (Social Democrat) took issue with his party's defense policy spokesman, Knud Damgaard, who has accused Danish military officers of wasting millions of tax kroner on inter-service rivalries.

Poul Sogaard agreed that the Navy, the Air Force and the Army had each tried to get the most out of the situation. But he flatly denied that any service had obtained something at the expense of the others.

Knud Damgaard's criticism surprised Poul Sogaard, who could not recall any prior criticism by Damgaard of either defense compromises or defense in general.

"Apparently Knud Damgaard feels the money has been wasted. That is his own opinion, which I do not share," said Poul Sogaard.

Knud Damgaard said Sunday at a peace seminar in Fyn that the Army has been neglected for 10 years while the Navy has prospered.

"There is no question of that," said Poul Sogaard, who pointed out that also in his period as defense minister, the distribution of military funding generally followed the unanimous recommendations of the Defense Command.

"I never heard Knud Damgaard or anyone else make a fuss about the development that occurred in those years," said Poul Sogaard, who also revealed that he does not care for the expression "defensive defense," which was introduced in the Social Democratic outline for a future defense compromise:

"Danish defense has been defensive in nature ever since 1864 and cannot in itself be regarded as a threat by neighboring countries," he said.

Petersen Still Seeks Cooperation

Copenhagen BERLINGSKE TIDENDE in Danish 28 Aug 86 p 2

[Article by Morten Larsen: "SF Minority Government Unrealistic"; first paragraph is BERLINGSKE TIDENDE introduction]

[Text] As long as the opinion polls do not show more voter support for SF, a straight SF government is unrealistic, the party chairman said. But SF will continue to stress establishing an alternative to the nonsocialist government.

The Socialist People's Party will continue to stress the establishment of an alternative to the nonsocialist government together with the Social Democrats.

A straight SF minority government is unrealistic as long as the opinion polls do not show substantially more voter support for SF, party chairman Gert Petersen said after SF's summer group meeting in Fyn.

The question is so unrealistic that the Folketing group did not even discuss it at the meeting, group chairman Ebba Strange sadded.

Gert Petersen did not think a parallel can be drawn between SF and the narrow Liberal government backed by 22 seats in Folketing that Poul Hartling formed in 1974.

"A party like the Liberal Party that is located somewhere near the center of Danish politics has a chance of succeeding here. We represent one of the outer wings of Danish politics, so I would therefore not advice this step with the percentage the polls indicate," said Gert Petersen.

"If we had 40 percent of the votes, it would be hard to refuse," he added.

Gert Petersen sees no other potential allies for SF in addition to the Social Democrats. Therefore SF is working for an SDP-SF government or an SDP-SF cooperation.

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CSO: 3613/194

FEDERAL REPUBLIC OF GERMANY

# JUNE 15 VOTING PATTERNS CALLED TYPICAL FOR LOWER SAXONY

# National Trends Unclear

Frankfurt FRANKFURTER ALLGEMEINE ZEITUNG in German 18 Jun 86 p 5

[Article by Kurt Reumann: "Polarization Between Bourgeois and Leftist Blocs: An Analysis of the Landtag Vote in Lower Saxony"]

[Text] Has there been a "return to normality" in Lower Saxony? One might come to this conclusion in comparing the results of the Landtag election of 15 June with those of 1978: of 100 voting precincts, 90 were won by the same party as eight years ago; the CDU lost eight to the SPD, while winning two from it. Just as Albrecht's triumph of four years ago would be explained, under this assumption, as a "freak," as an impatient response by the voters to the downfall of the Schmidt-Genscher government, the result of last Sunday would have to be understood as a return to the status quo. The SPD's share (1978: 42.2 percent; 1986: 42.1 percent), is actually identical and certainly demands this interpretation. But whatever the case, can we make this analysis so easily when the SPD, in comparison with the Landtag vote of four years ago, won 5.6 percentage points and the CDU actually lost 6.4?

Of all Landtag elections of the recent past (Berlin, North Rhine-Westphalia, Saarland) that in Lower Saxony is without doubt the one that most clearly foreshadowed the next Bundestag election. It permits, to be sure, no conclusion as to who will govern beginning next year in Bonn. But Albrecht's exceedingly narrow victory shows that sober mundame calculation has gotten the upper hand of emotions. For the time being the belly rules the voter, not the head. He senses, of course, that the Federal Government of CDU/CSU and FDP guarantees the economic upswing. But many people believe the SPD will probably distribute the fruits of that upswing in such a way as to serve its own interests best, because the SPD loyally serves its own clientele. The CDU, on the other hand, had expected its supporters to understand that one saves at one's own expense. But in that, it allowed itself to be led astray by the protests of the farmers. If the last Landtag elections changed anything, they shattered the CDU's teaching that one can expect certain things of the voters. Thus far, but only thus far, have the CDU and the SPD become more alike: the Federal Government in Bonn will pause to reflect upon the fact that the CDU lost the most votes in those Lower Saxon areas where there is a relatively high rate of unemployment.

If one compares the result of Sunday's Landtag vote with that of the Bundestag election of 1983 in Lower Saxony, one realizes that the differences

were too narrow to infer from them a clear-cut trend: minus 1.3 percentage points for the CDU, plus 0.8 for the SPD, minus 0.9 for the FDP and plus 1.4 for the Greens. The decline of 2.2 points, from this viewpoint, is to be interpreted as the eventual withering of those parties that currently govern in Bonn.

The way in which voters express their protest is more and more often to abstain from voting rather than to change parties. This was shown already in the Landtag elections of last year. In Lower Saxony on Sunday it was clear principally in predominantly rural areas where farmers have a strong influence. A portion of the traditionally-minded farmers chose not to vote for the CDU because they were incensed over farm policy, but also had no wish to allow another party to profit from their vote. The growing proportion of abstentions not from lack of interest, but as a protest, also is a signal, however, that the political climate in the Federal Republic in general has worsened, because the parties are being polarized ever more distinctly into a bourgeois and a left-leaning block. Many people prefer to stay away from the polls rather than strengthen the other block with their vote.

Here a way out is offered by the FDP to the middle-class voter who withholds his vote from the CDU, while the frustrated SPD voter finds no middle path. The threshold of his reluctance to change parties therefore rises. An exchange is possible mainly on the left, between the SPD and the Greens. The integrating power of the SPD rises in the process. The SPD owed its successes in the Landtag elections in the Saar and North Rhine-Westphalia partly to the setback of the Green Party (only 2.5 percent in the Saar, 4.6 percent in North Rhine-Westphalia). It is clear from statements by spokesmen of the Greens that they had hoped to reap greater profits in Lower Saxony from the catastrophe in Chernobyl. Greater profits? Presumably the Greens would not have gotten into the Landtag of Lower Saxony even without Chernobyl. The SPD can count on gradually pulling in the fringe-voters on the left.

In contrast, the FDP has not yet grasped the fact that it has become a catchbasin for dissatisfied CDU voters. It still gives the impression of an intellectual, anti-clerical party. For example, it had already won the votes of Catholic CDU "refugees" in the Landtag elections of the Saar and North Rhine-Westphalia, and in Lower Saxony it won them again. It may frighten Free Democratic functionaries that the FDP, as far as its voting constituency is concerned, has become in the Saar and in North Rhine-Westphalia a Catholic party. To be sure, the FDP 's being stabilized by borrowed votes from the CDU camp. But it would be wrong to think that its still surprisingly good performance (8.5 percent in Berlin, 10 percent in the Saar, 6 percent each in North Rhine-Westphalia and Lower Saxony) rests on donated votes alone. It became clear above all in North Rhine-Westphalia that the FDP can jump the five-percent hurdle even when it is not seen as the procurer of the CDU's majority. The pale image of the North Rhine-Westphalian CDU was, of course, an important reason for that result.

In any case the results of the three Landtag elections of last year show that, however stable may be the core constituencies, voting trends in the Landtag elections carry more weight than in the Bundestag election. The SPD had gained 3.7 percentage points in 1985 in North Rhine-Westphalia. 3.8 in the Saar. The CDU had lost 6.7 points in each. In contrast, in atypical Berlin the CDU held its own against the SPD with a loss of only 1.6 points, while the latter gave up 5.9 points. Merely comparing the bare statistics, Lower Saxony with minus 6.4 percentage points for the CDU appears to lie rather on the line of North Rhine-Westphalia, especially since the increase of 3.7 points for the SPD in North Rhine-Westphalia is the more highly to be valued, the more difficult it becomes for a party to win that extra bit more needed for an absolute majority. Yet this superficial parallel leaves out of account the fact that the CDU in North Rhine-Westphalia had (and has) no leading candidate who could seriously contest Minister President Rau. Even the challenger in the Saar, Lafontaine, cut a better figure than Minister President Zeyer (CDU), who was then in office. In contrast, Minister President Albrecht (CDU) had the edge over the SPD leading candidate in Lower Saxony, Schroeder, in the eyes of most voters--the results of the poll taken by the "Research Group on Elections" of Mannheim, which conducted the final count on election evening for German TV Channel Two, affirm this even more clearly than the data of the Godesberg Infas Institute, which works for Channel One.

It is not to be expected that Chancellor Kohl will focus his election campaign so sharply on his own personality as "election monarch" Albrecht. The question, however, is whether Kohl will succeed in making a better showing against Rau in the Bundestag election in North Rhine-Westphalia than the unattractive CDU lead candidate in the Landtag vote. The voter defections in the Latest Landtag elections proved, however, one thing: the Bundestag election will be decided in North Rhine-Westphalia.

#### National Issues Important

Frankfurt FRANKFURTER ALLGEMEINE ZEITUNG in German 19 Jun 86 p 12

[Article by Professor Dr Dieter Oberndoerfer, Professor of Political Science at the University of Freiburg, and Gerd Mielke; both are members of the Working Group on Elections: "On the Pathways of Voting Tradition: An Analysis of the Lower Saxon Landtag Elections"]

[Text:] Contrary to the prognoses published before the election predicting a fundamental turnabout in Lower Saxony, the results of Sunday's election do not stray from the beaten path of Lower Saxon voting traditions. The voting shifts between the CDU and the SPD restored a political equilibrium between the CDU and the Social Democrats that had gotten out of kilter. Until the CDU won an absolute majority—at the height of the crisis in the SPD-FDP coalition in the spring of 1982—that equilibrium was characteristic of the Bundestag and Landtag elections in Lower Saxony. The CDU, with its 44.3 percentage share of the vote, after a loss of 6.4 percentage points receded to its position in the early 1970's. Compared to the exceptional result of 50.7

percent in 1982, its share had fallen to 45.6 percent in the 1983 Bundestag election and to 43 percent in the European vote of 1984. In contrast to the setback of 1982 the SPD improved its position by 5.6 percentage points, thereby reaching again the level of 1978; in relation to the last Bundestag election it rose by 0.7 percentage points. As in the Landtag elections of 1985 in the Saar and North Rhine-Westphalia, the Social Democrats were able to chalk up almost exclusively to their own account the increase in the opposition vote. In the Landtag elections of 1984 it was the Greens who profited, in the main, from the opposition's bonus. The narrowing of the CDU lead can be seen from the net results of the change in majority throughout the 100 voting precincts. If the CDU was able to rack up more votes than the SPD in 87 precincts in 1982, the relationship is now 55 to 45. The Greens (7.1 percent) have proved themselves the third power in the Lower Saxon Landtag; the limit of the increase in their vote seems, however, to have been reached. The Lower Saxon FDP, finally, had to fight its way once again into the Landtag.

#### Historical Factor

The Landtag election results were influenced in part by substantial variations in areas with differing social structures. There exists in Lower Saxony, however, an additional peculiarity in the influence of regional factors on the party system, an influence perceptible apart from the social and economic structure — a phenomenon linked with the mini-state tradition significant for Lower Saxony. This "historical factor becomes especially clear in the normally extreme variation in voter participation among Lower Saxony's regions. As shown by the traditionally high voter participation in the Saar and the traditionally just as low participation in Baden-Wuerttemberg—since the days of the Empire there—the rate of voter participation bears a heavy historical imprint.

The CDU strongholds in 1986, as before, were the voting precincts—few in number to be sure—with a Catholic majority. There it achieved an average 63.8 percent, compared to its average throughout the Land of 44 percent. In those precincts the SPD got to 25 percent. Localities traditionally favorable to the CDU proved to be still those voting precincts with a high proportion of farmers, low population density and small-business economies. In such areas it was able to record average vote shares of 47 percent. The SPD strongholds behaved in a way that complemented this pattern. With an average vote in all precincts of 42.4 percent, it received 43.2 percent in urban precincts, and in those with a high proportion of large companies and consequently an above-average degree of union organization, 44.8 percent.

The FDP's election results are characterized by a remarkable uniformity risi above all contrasts in social structure. It won 6.4 percent in the countryside in its conservative tradition, and 6.3 percent in urban service centers. The peak votes in Ammerland (10.4) and Diepholz (13.6), as well as Hannover Southeast (10.4 percent) reflect this double anchoring of the liberals in the social structure. It is striking that the FDP share of the vote in its traditional Lower Saxon stronghold of Diepholz was almost halved.

The Greens had their strongpoints quite clearly in the political milieu of the university towns with a strong, not independent middle class (19.4 percent in downtown Goettingen). There are, however, as in 1982 and 1983, rural voting precincts where the Greens, under the direct influence of controversial projects involving environmental policy, win a strong position, as in Luechow-Dannenberg, with 11.2 percent. Here, where the Greens had received over 14 percent in Salzstocken in 1982 because of the proposed storage of atomic waste, they had to accept sometimes painful losses, as in 31 other precincts. Among the 28 precincts in which they won above-average gains were, typically, 18 with high proportions of students and members of the service sector. Only this milieu was mobilized in any special way by Chernobyl; elsewhere, voter support for the Greens crumbled away. The gains and losses of all parties in Lower Saxony, compared to the Landtag election of 1982, are marked in great part by that same "lawn mower" effect already observed in the communal elections of Schleswig-Holstein. Beyond all regions and differences the CDU showed clear losses within a narrow band of variation. In contrast, the SPD's vote shares rose on a broad front. Only in the classic strongholds of the two large parties did there appear an additional fraying. Thus the SPD, with an average increase of 5.6 percentage points, gained 6.2 in Catholic precincts and in rural ones as much as 6.7 points. In those places the CDU gave up 7.4 and 7.6 percentage points, respectively. Contrariwise, the CDU's losses of 5.9 points in the cities, 5.6 in areas with economic structures typified by large industrial plants, and 5.3 in those with a high proportion of workers, were less than the mean of 6.3 percentage points for the Land as a whole. Complementing this pattern, the SPD's rates of increase, with 4.4, 5.0 and 4.8 percentage points in those precincts, are below the average. The constancy of the FDP results compared with 1982 in most voting precincts shows that the proportion of "borrowed voters" held within narrow limits: 1 to 1.5 percent.

# Rural Voting Precincts

Voter participation was slightly below the level of 1982. Differences, however, played a significant role in the performance of the parties. Here a complex set of circumstances appeared. To be sure, voter participation in the CDU strongholds was higher than in SPD domains, but in comparison with the Bundestag elections of 1983, as also with the preceding Landtag election, it fell more sharply than in the SPD strongholds. The steepest decline occurred in the rural precincts. Voter participation fell there, measured against the Bundestag election, by 13.1 percentage points. The reverse occurred in the industrial centers and medium-sized and large cities, where participation declined less than average. In view of the CDU's heavy losses in its rural strongholds, it becomes clear above all that a large number of its rural supporters did not vote.

As always, the small parties with limited voter potential (the FDP and the Green Party) performed better than average in precincts with low voter participation. While the Greens won only 5.9 percent in precincts with the highest voter participation, its share in areas with low participation rose to 8.4 percent. Here it is worth noting that young voters, among whom the Greens find their strongest support, are the very ones most inclined to abstain from voting, thereby decisively narrowing the election chances of the "youngest" parties.

Lower Saxony is characterized by an unemployment curve declining from west to east. In voting precincts on the coast around Emden and Bremen, but also in rural Oldenburg, Cloppenburg and Vechta, the rate of unemployment has been well above the Land average for years. Unemployment of a mainly structural type, however, affects quite different branches of the economy. While rural family enterprises create a milieu in which unemployment to a large extent is socially cushioned, the social effects in Emden or in the Bremen metropolitan area are similar to those of unemployment in other regions of the Federal Republic. In September 1985, with a Land average of 11.6 percent, unemployment rates in the regions mentioned ranged between 14 and 21 percent. Although the CDU won 68.4 and 67.5 percent in the core unemployment cities of Cloppenburg and Bechta, the SPD dominated the scene in neighboring voting precincts similarly hit by long-term structural unemployment, such as Emden, Norden, Leer and Aurich. This reflects the differing socio-economic milieus. The CDU's losses in all precincts with high unemployment, however, were above average. It lost 8.1 percentage points in Cloppenburg, 10.3 in Ammerland, 9.1 in Leer and 10.3 points in Wittmund. The SPD's gains were above average in all precincts affected by high unemployment.

National politics exercised a decisive influence on the election results. It remains to be seen, however, whether controversial questions are always worked out as expected. It is indisputable that the election campaign attained a new intensity because of Chernobyl. The Greens, however, did not understand how to weld the dismay felt in broad segments of the population into an alliance between their hard-core supporters and newly "sensitized" voters. That the SPD held aloof in the main from the Greens during the campaign clearly did not work to its disadvantage and, in view of the mobilization and integration of its core voters, was the right strategy for the coming Bundestag election campaign. The FDP, finally, was able to pick up only a small part of the CDU's losses by a division of work inside the coalition, but its success argues nonetheless for the coalition strategy of a united government campaign.

\* \* \*

This analysis was prepared by the "Working Group on Elections" at the Chair for Political Science of Professor Oberndoerfer at the University of Freiburg. Other members, besides the authors, are Ulrich Eith and Ulrike Ernst, both political scientists.

12991/12913 CSO: 3620/735

DIVIDED COMMUNIST PARTY PREPARES FOR ELECTION CAMPAIGN

Large Parliamentary Seat Loss

Helsinki UUSI SUOMI in Finnish 3 Aug 86 p 2

[Editorial: "SKP, Democratic Alternative and Elections"]

[Text] It has taken fully 17 years for an actual split within the Finnish Communist Party (SKP) to lead to the existence of two different parties. Founded by the former minority Communists led by Taisto Sinisalo and now also listed in the party register, the Democratic Alternative (DEVA) has all the formal and objective characteristics of a political party.

The most important issue during the party's initial phase will be its relations with its affiliated Soviet party.

The CPSU attempted to achieve two objectives simultaneously at the time of the dissolution of the SKP. It supported party unity and consistently opposed the establishment of two parties. On the other hand, throughout that entire period it openly sided with the Stalinists, who constituted a minority.

Now the CPSU has had to face an undisguised fact. In its relations with the SKP headed by Arvo Aalto, it has adopted a pragmatic approach. Following the chill of the initial phase, purged of its Stalinists, the SKP has been treated formally like the other West European communist parties: correctly, but not warmly. An invitation to the party congress in Moscow arrived and now Aalto has also received an invitation to vacation in our neighbor country.

When the birth of the DEVA began to appear to be inevitable, the CPSU switched its financial support from the SKP to the DEVA. The DEVA has not, however, received the same "communist party" treatment as the SKP and Taisto Sinisalo, for example, did not receive an invitation to the CPSU party congress since he was not included in the SKP delegation.

The situation is, however, familiar to the CPSU because of its occurrence in many Nordic and West European communist parties. In its policy with regard to Finland and Europe the Soviet Union has during Gorbachev's term laid greater emphasis than before on the importance of good relations at the national level.

Since, furthermore, the CPSU has direct relations at the party level with the leading government parties in Finland, the SDP [Social Democratic Party] and the Center Party, it has no reason at all for complicating its good relations with Finland by laying emphasis on its connections with the Communists at the expense of its relations at the government level.

The Stalinist rank and file will probably be truly annoyed if they see "traitor" Aalto at big international communist congresses in the near future, but at which Stalinists, unwaveringly loyal to "proletarian internationalism," occupy at best some sort of observer's loge. This may, however, be explained by the fact that the DEVA is not a party at all, but only the means necessary in a nonsocialist society for getting the SKP into the right hands again.

A direct consequence of setting out for the elections with two tickets will be a noticeable reduction in the number of ultra-Left seats — estimated at from 10 to 12 — in Parliament. Some of this can be explained as being due to the passive attitude assumed by voters frustrated with the party squabbles and some of it to election arithmetic. Of course, support for communism has already lessened because of structural changes in the society.

Only gradually, however, will we be able to determine whether the collapse [of support for it] will mean the disappearance from Finland of an ultra-Left with different political convictions as a significant political force. Support for the parties in Finland has in general been incredibly stable from one decade to the next.

When, however, we add to the collapse of support for it the obvious inability of both the SKP and the DEVA to cooperate with the other parties, the ultra-Left of the political spectrum would appear to be removed from the making of policy in Finland, at least for some time to come. Against this background, TIEDONANTAJA's cautious critique of critics of presidential candidate Paavo Vayrynen is completely lacking in the dimension of striving to increase its strength that SKDL [Finnish People's Democratic League] support for Urho Kekkonen once had.

Now that we have finally been forced into a situation in which there are two communist parties, it will certainly be a long time before we see whether there is in either of them a return to posts that exert influence on Finnish policy.

Stalinist Organ: Heal Split

Helsinki TIEDONANTAJA in Finnish 7 Aug 86 p 2

[Editorial: "We Must Not Agree to a Split"]

[Text] Excluded from SKDL election coalitions, the Communists and their coalition partners are entering the parliamentary elections within the framework of the DEVA. It is a clear alternative to the current conservative tendency and is also a coalition organization for the devastated SKDL. The DEVA has the potential for obtaining a sympathetic response and success in the elections.

We must, nevertheless, continue to act decisively against an election split between the Communists and the People's Democrats. "It would be unforgivable with regard to the national interests of the working class and Finland to agree to a split," the Central Committee of SKP Organizations admonished at the May meeting. The interests of the faction that is behind the split differ from these interests, but the interests of SKP and SKDL members and supporters are compatible with them. We must do everything in our power to minimize the damage caused by the split and to see to it that the innocent do not have to pay for the split.

The Central Committee of SKP Organizations has expressed its full readiness to negotiate and reach agreement on all decisions by means of which the consequences of the split would be minimized and as united as possible an election presence would still be assured. The entire DEVA election organization and its supporters are also without a doubt prepared to do this.

Every Communist and People's Democrat, every progressive individual has the right to demand of his leaders and governing bodies a sense of responsibility. A great deal is at stake. The lack of a sense of responsibility is a serious crime at this time.

The interests of our country and the working class require as united and independent a Communist and People's Democratic presence as possible in the presidential elections too in addition to the parliamentary elections, even though the conservative faction at the head of the SKDL does not like the idea. We ought to be able to minimize the damage caused by the split in the presidential elections too and to clearly rally our forces in favor of a foreign policy line based on the Friendship, Cooperation and Mutual Assistance Pact. Divided and dependent on others, the Communists and People's Democrats are incapable of fulfilling the mission incumbent on them. Rallying our forces certainly presupposes joint, broad-minded deliberation in, for example, deciding on candidates, not dictating choices and clinging to the past.

Central Committee Confirms Split

Helsinki HELSINGIN SANOMAT in Finnish 16 Aug 86 p 10

[Article: "SKP Congress in June"]

[Text] The SKP Central Committee has set the date for its 21st party congress. Holding a meeting at Sirola College in Hameenlinna on Friday, the Central Committee agreed that the congress would be held on 12-14 June 1987.

The Central Committee at the same time took advantage of the occasion to take up the preparations for the congress. It was decided that the district representatives to participate in the congress would be chosen in accordance with membership as of the end of next March.

The decision is a message to the Stalinists organized under the banner of the DEVA: It will be possible to influence SKP decisions at the congress only as a party member.

The Central Committee also agreed on a timetable for the Party Platform Committee. The committee plans to prepare a first draft of the new party platform as early as this year.

The SKP member organizations will have an opportunity to discuss the draft in the spring and they intend to hammer the platform into its final form at the June congress.

The SKP Central Committee will still be in session on Saturday and will adopt a position with the other SKDL member organizations on the declaration on the parliamentary elections which the People's Democrats are drafting.

# SKDL Campaign Platform Presented

Helsinki HELSINGIN SANOMAT in Finnish 17 Aug 86 p 8

[Article: "SKDL Polishes Its Shield for the Elections; Kakela Demands New Order in Foreign and Domestic Policies"]

[Text] Hameenlinna (HS)—The SKDL intends to avert the defeat predicted for it in the parliamentary elections with an energetic counterattack. On Saturday the People's Democratic member organizations honed their election declaration at Sirola College in Hameenlinna, one in which their views are expressed more clearly than before.

SKDL chairman Veikko Helle and SKP chairman Arvo Aalto also thought that the SKDL presidential candidate would be nominated as early as at the SKDL Council meeting to be held in the fall. Governor Kalevi Kivisto's name has been primarily raised in the discussions.

SKDL first secretary Reijo Kakela gave the main address at the meeting. He showed the others the expedients by means of which they would launch the coming election campaign.

During the spirited speech he gave, which lasted for over an hour, Kakela managed to indicate what the president's position and that of our foreign and domestic policies, the Armed Forces and the police should be.

In Kakela's opinion, Presidents Urho Kekkonen and Mauno Koivisto do not differ from one another very much. As Kakela sees it, they both represent another kind of republic that must soon make way for a new one.

"The time for a low profile is past. It's like vegetable enthusiast Waerland's doctrine that one must defecate odorless waste four times a day," Kakela said.

The threat of war and an approaching ecological catastrophe are forcing man to guide his history consciously. In Kakela's opinion, it is time to promptly set to work and turn our foreign and domestic policies into an entirely new credo.

"Foreign Ministry Must Be Put to Work"

Kakela is demanding a bold new foreign policy in which "we must firmly cling to the prospects for preserving both national and global life instead of the present foreign policy, which has sunk into a diplomacy without prospects."

According to Kakela, there will be no room in the new foreign policy for selfimportant diplomats whose "skill is chiefly considered to be their ability to speak nonsense in French."

Kakela is demanding that the Foreign Affairs Ministry get to work since, according to him, there is no longer any time for mere choreography. In his opinion, Finland should abandon its slide rule neutrality and take the initiative in international politics.

"They tell us that we aren't neutral in issues involving war and peace. That's good. Let's make a practice of it. Let's stop splitting hairs," Kakela demanded.

"We propose that our country immediately, ably and boldly present a considered initiative to the nuclear powers for holding an international conference at which a system would be created such that a nuclear war would not at least break out because of minsinterpretations or technical errors."

"More Views on Domestic Policy"

Kakela does not give the domestic policy pursued these past few years any higher marks. According to him, the country has gone through a sorry, plodding political period during which we have contented ourselves with resolving only topical issues.

In place of this, Kakela is putting on public record bold visions and courageous images of the future. The most important thing would be to come up with a domestic policy in which issues are examined from the perspective of the whole world instead of that of the land of the brownies.

Kakela views the postwar Left-Center coalition as a tactical arrangement rather than a real attempt at reform despite some of its favorable achievements.

Furthermore, the Center Party's recent casting of glances to the Right will, in his opinion, force them to completely reevaluate the conditions for a coalition.

Kakela feels that the political situation is undeniably drifting toward a conflict between the Left and the Right.

The SKDL is now calling on all those who are willing to engage in this "contest between civilization and barbarianism," nor is it closing the doors to the Social Democrats either, although "their problems in a capitalist Finland" are apparent.

Kakela's statement on domestic policy also included the goal of economic equality by more clearly shifting the focal point of taxation from citizens to businesses.

"Only when managers trade in their Mercedes for Lados for the sake of our ability to compete internationally can we discuss the importance of taxes to our ability to compete and unemployment." he said.

Kakela is concerned over the fact that "all those who speculate with the markka are shaking the pillars of our national economy in both directions."

"We demand that our country's economic independence be rebuilt. We demand that immediate steps be taken to restrict their freedom to sell our fatherland through capital movements and money markets."

"Army and Security Police Have to Go"

Kakela also exceptionally sharply ridiculed the defense establishment. In his opinion, in the age of nuclear weapons our Army is nothing but a relic, the money that is wasted on which could be employed more profitable on projects to reduce the threat of war.

"Since some people no doubt fear military voids, let's leave it to the modestsized, specialized force that is equipped for the job to guard our borders, a force that can also be employed in peace-preserving missions. Let's build the strategy for the defense of our national values on a civilian resistance," Kakela proposed.

In addition to the Army, the Security Police also received its share of criticism. In Kakela's opinion, a new domestic policy presupposes an extension of democracy, citizens' control over our common and their own affairs. For this reason, we should quickly get a strict information protection law passed that would provide information services for people's inspection.

In Kakela's opinion, there should not be police in Finland either, who "spy on us, collect information on us, keep records on us and express their opinions of us to those to whom they submit their reports." In a democratic country the police ought to subordinate themselves to democracy and citizens' scrutiny.

"We Must have an Economic Conference in Helsinki"

Kakela's presentation was enthusiastically received by the Social Democrats. It was praised without any grumbling as an action program which it would be well for the SKDL to follow.

Women would have preferred to see provision in it even more clearly than before for their demands for equality.

The presentation also gave rise to a couple of supplementary proposals. In addition to the conference on nuclear weapons proposed by Kakela the People's

Democrats intend to take steps to obtain reports on the activities and effectiveness of the Foreign Ministry. Jaakko Ylitalo proposed this move.

As for Member of Parliament Inger Hirvela, she hoped that they could get a conference for the discussion of international relations to be held in Finland.

In her speech Hirvela also lamented the decision to appoint Member of Parliament Antti Kalliomaki secretary to Prime Minister Kalevi Sorsa.

In Hirvela's opinion, the decision shows what the Social Democrats and Kalevi Sorsa think of parliamentarianism and Parliament's situation.

"A member of Parliament's job is to keep watch on the ministers, not to resort to being their messenger boy," Hirvela said.

11,466 CSO: 3617/158

#### BRIEFS

SUCCESSION DENIED—Words were put in his mouth. This happened to Deputy Minister Giorgos Papandreou, who granted an interview to a Swedish magazine. Some Greek newspapers reported that in the course of that interview, Papandreou stated that he intends to succeed his father in the position of prime minister. In answer to those publications, the Ministry of Culture made the following announcement: "Deputy Minister G. Papandreou regretfully read in certain papers some statements he never made. He never referred to what was attributed to him in the course of the interview he gave to a Swedish magazine." The press articles were also denied by government spokesman Miltiadis Papaioannou. [Text] [Athens TA NEA in Greek 26 Aug 86 p 7] /8309

CSO: 3521/254

CONSEQUENCES IF COALITION LOSES MAJORITY IN FIRST CHAMBER

Amsterdam DE VOLKSKRANT in Dutch 20 Aug 86 p 12

[Article by correspondent Frits Van Vugt: "Will the First Chamber Vote Against Lubbers II?"]

[Text] CDA senator Postma recently outlined correctly both the increasing prominence of the First Chamber and its causes as well as the possible results for the second Lubbers cabinet, if the elections for the Provincial States next year should lead to a Senate where the government can no longer be supported by a majority of the CDA and VVD.

However, he did not go into the political party and constitutional views regarding a possible blockade against government bills (not to mention a future conflict of confidence between the First Chamber and the government, if the progressive groups should get the majority). These aspects are certainly so important, because they can lead to different conclusions in the then arising constitutional crisis.

Our two chamber system was already controversial in the previous century. At its establishment (in 1815, at the urging of the Belgians) one wanted-next to a directly elected Second Chamber-a "bulwark" around the throne. Later, when the Second Chamber gained influence and democratized the right to vote, it was assumed as legitimation for the Senate that it must create a counterweight against the all too democratic tendencies in the Second Chamber, by acting as the representative of large property owners. The Senate had to be on its guard against "too hasty action" by the directly elected part of the States-General.

#### Limited Assignment

However, there gradually developed as a rule of (unwritten) constitutional law that primacy in people's representation must rest in the Second Chamber. This could be deduced both from the limited assignment of the First Chamber (no right of initiative and amendment) as well as the fact that its election took place indirectly (via the provincial states) and always followed that of the Second Chamber.

Still it is interesting to know that when conflicts arose, because the Senate later repudiated bills with a heavy political content which had already been approved by the Second Chamber, this happened mostly because of rightist majorities in the First Chamber regarding progressive bills (for that time).

There were especially at the beginning of this century various such cases (1900: Accident Law, 1915: Oath Law, 1917: Increase of estate taxation, 1917 and 1918: Introduction of state pensions). The only time that a leftist (then: socialist, liberal and liberal-democratic) majority in the First Chamber rejected a bill of a rightist (denominational) cabinet was in 1904 regarding the Higher Education Law. Although in the other cases, the First Chamber always got the best of it (the law was then changed in the sense of the Senate), the First Chamber was then immediately dissolved. The Kuyper Cabinet did this because it was already clear that the right would get the majority in the new organization.

#### Restrained Role

Considering the above, it is not surprising that both the SDAP [Social Democratic Labor Party] leader, Troelstra, as well as the liberal-democrat Marchant tried to eliminate the First Chamber around the twenties. Because of the fact that the latter is regarded as a superfluous duplication of the Second Chamber, the PvdA is now of the opinion that the Senate might just as well disappear. However, that did not come out of the revision of the constitution in 1983.

On this occasion, the Van Agt I government at the time declared that "it is assumed as a parliamentary guide line that it is not the business of the First Chamber to interpret political results to gain control of policy, so that it compels a cabinet to resign." Both ministers of internal affairs, Wiegel (VVD) and Van Thijn (PvdA) have indicated that the Senate certainly is formally authorized to express its lack of confidence in a minister or cabinet, provided the First Chamber observes here the necessary restraint. It was a remarkable fact that the VVD fraction in the Second Chamber denied the confidence rule, while its sister fraction in the Senate accepted the latter.

The revision of the constitution has not provided a public opinion about the political importance of the First Chamber, also anything about its legislative role. Supposed constitutional rules will have to prove themselves in practice. It is generally not questioned that the First Chamber can use its right to express a veto of proposed laws (Chamber's function of revision). Well it was declared from the Second Chamber in 1962 through van Oud (VVD) and Burger (PvdA) that it should apply as an unwritten rule for the First Chamber that, if a bill repudiated by it is steered later unchanged through the Second Chamber, the Senate then would have to accept this.

It appears predictable that, if the CDA and VVD lose their majority in the First Chamber next year, the progressive fractions will continue their political opposition in the Second Chamber in the First. Important bills can then

come to grief in the First Chamber. PPR [Political Party of Radicals] Senator B. de Gaay Fortman fanned this fire recently by declaring that because of the direct and full election of the First Chamber by the Provincial States, the States elections are going to play a referendum role: "vote against the revision of the social security system and the Euthanasia Law."

I can imagine that the left, although it is a spectator of the two chamber system, occasionally wants to use its existence--something the right has done so often. A (reverse) parallel between the abortion and euthanasia legislation then intrudes. It is still not so long ago (in 1976) that the denominational parties and the majority of the VVD fraction in the First Chamber finished off the hard fought compromise about abortion (the Initiative Bill of the PvdA and D parliamentary members Roethof, Geurtsen, Lambers and Veder-Smit), after the Second Chamber had approved this with the support of the full VVD fraction.

The CDA-VVD compromise submitted later, with a liberal slant pulled through. Something similar can happen next year, a possible CDA-VVD (Council of State) compromise on euthanasia. With another composition of the Senate, the joint opposition of the left (compromise not liberal enough) and minor rightist parties (compromise is contrary to God's laws) it would be possible to create a blockade, whereupon the road is clear for a new bill (Wessel-Tuinstra Initiative Bill?).

#### Recent Clashes

While Postma sees as the most probable solution of a conflict of confidence between the First Chamber and the cabinet a change of the government's foundation, his CDA fraction leader in the Senate, Christiaanse is still far from that. The latter declared recently that "where thwarting legislation would be on the same footing with the cabinet's steering it through successfully, the limit is reached of what the Senate should allow." He pointed out in this respect that the First Chamber only rejects legislation infrequently.

Still it is true that this has happened, more often in recent years than in the past. Here are a few figures: from 1849 until today the First Chamber has rejected 119 bills. This average of not even one per year also applies for the period 1945-1985. However, in the last yearly session, five bills were rejected. A striking fact in connection with that is when we look at the eight most recent cases (1982 until today), five of them ran aground because of a CDA and VVD veto, while the PvdA favored them. Once the blockade was from the CDA and the other parties (PvdA and VVD favored it), once it was by the PvdA and VVD (with the CDA in favor), and one time all the First Chamber was opposed. Consequently it appears that even in recent clashes between the Senate and cabinet (in one case it involved the one Initiative Bill of the PvdA and CDA which also was rejected by the First Chamber CDA fraction), it is mostly the present government parties who are using the Senate's powers.

For that reason and because these parties are those which guarantee the maintenance of the First Chamber, the CDA and VVD should precisely take a more restrained position, if the First Chamber plays a more conspicuous role next year and makes it difficult for the Lubbers II cabinet.

8490

CSO: 3614/135

# GOVERNMENT POLICY ON ASYLUM FOR REFUGEES ATTACKED

The Hague ANP NEWS BULLETIN in English 21 Aug 86 p 8

[Text] The Hague, August 20--A Dutch refugee organisation today lashed out at restrictive cabinet policy on refugees, which it said had cut Dutch acceptance of asylum seekers by more than half since 1982.

In a memorandum published today, the Vluchtelingenwerk Nederland organisation said that the Netherlands had accepted 57.2 per cent of all applicants seeking asylum in 1982, but that this figure dropped to a scant 19.8 per cent in 1985.

The memorandum, published with an eye to a planned government paper on refugee policy to be released shortly, notes that of the six richest European Community countries the Netherlands offers a home to by far the fewest refugees.

The Netherlands harbours 10 refugees per 10,000 residents, compared to West Germany's 21, Britain's 24 and Belgium's 37, it said.

Vluchtelingenwerk said at a press conference it was 'deeply concerned' at Dutch refugee policy. Organisation chairman J. Scholten said the Dutch government wrongly interpreted the Geneva treaty on refugees, as it was far too strict in judging the concept of 'first country of reception'.

Under Dutch law at present, a refugee who is merely passing through a country is considered to have been received there, and subsequently loses rights to asylum in the Netherlands, Scholten explained.

#### Low Rating

This conflicted with internationally accepted norms and practices in most other West European countries, he said.

The organisation's statement noted that media reports suggested that the Netherlands and Europe were currently being flooded by refugees seeking asylum, but said figures proved otherwise.

Since the Second World War 31,500 refugees had made their home in the Netherlands which during the first 25 years had chiefly welcomed refugees from eastern Europe.

The largest single group had been a party of 3,300 Hungarians housed here in 1956.

On a world scale, Europe rated low as a haven for refugees, with only three to six per cent of the world's 13 million asylum seekers finding a home there, the memorandum noted.

This contrasted with 13 per cent in the United States and Canada, while Pakistan with three million refugees and the Sudan with 600,000 were heavily burdened.

'Passive'

The memorandum pleaded for a more active Dutch role in initiating a trans-European refugee policy. Scholten added that Europe was too passive in combatting the reasons for the stream of refugees and called for an international approach to combatting the problem.

The memorandum said Dutch admissions policy should no longer be influenced by outside factors such as foreign policy, and pleaded for more streamlined processing of asylum applications.

The organisation said asylum procedures should be allowed to last no more than two years, compared with the current five to seven years required to finalise refugee status.

/8309

cso: 3600/39

#### MEDICAL ASSISTANCE TO SURINAME RESUMED

The Hague ANP NEWS BULLETIN in English 1 Sep 86 p 3

[Text] The Hague, September 1—The Netherlands has decided to release the one million guilders' worth of medical aid to Surinam which was frozen earlier this year, a spokesman for Development Cooperation Minister Piet Bukman said at the weekend.

The aid is part of a two-million-guilder package, half of which has already been made available to the former Dutch colony.

Delivery of the remainder was suspended in April this year, after a senior Surinamese government official was charged in the United States with offering safe passage for cocaine shipments through his country to the U.S.

At the time the Dutch government intended to await the outcome of the trial of Captain Etienne Boerenveen, a member of Surinam's ruling military council, to assess whether there was any question of senior authorities in the South American nation being involved in cocaine smuggling, the spokesman said.

But investigations into the case have still not been completed and it is not known how long they will take. At the same time the need for medical aid in Surinam is becoming increasingly urgent, he said.

In the light of this, Bukman had decided to free the suspended aid, and his ministry will consider shortly whether to allocate a further one million guilders for medical aid to Surinam, he said.

The aid released at the weekend will be given in the form of medical supplies. If the ministry decides to allocate another million guilders, this will be given in the form of missionary aid, he added.

Dutch development aid to Surinam was suspended in 1982, after 15 opposition leaders were shot dead in Paramaribo by the military.

/8309

cso: 3600/38

### CONSERVATIVE PARTY SETS POSTWAR POLL RECORD WITH SUPPORT

# Support Equal To Labor's

Oslo AFTENPOSTEN in Norwegian 6 Sep 86 p 3

[Article by Bjorn Talen: "Gallup/Norwegian Public Opinion Institute/AFTEN-POSTEN: Conservative Party Has As Much Support As Labor Party!"; first paragraph is introduction]

[Text] The Conservative and the Labor Parties have precisely the same level of support, says the August poll taken for AFTENPOSTEN by Gallup/Norwegian Public Opinion Institute. Just before the change of government four months ago, this institute observed 43.9 percent for the Labor Party and 28.8 for the Conservative Party—a difference of 15.4 percentage points, or something close to one-half million voters. Now both parties receive 35.5 percent!

This signifies a post-war historical record for the Conservative Party. Also, for the first time in a long time, the three parties which were in the previous government enjoy a clear majority among voters, that is to say, without the Progressive Party.

#### Once Before

Only once before have the Labor and the Conservative Parties been so equal on the Norwegian Public Opinion Institute's party barometer, namely in January 1981, when both parties registered 33.5. That was in the final days of the Nordli government, and when Gro Harlem Brundtland took over as prime minister, the Labor Party's Gallup curve swung rapidly upwards again.

#### Landslide

This time, Gro Harlem Brundtland's assumption of power has clearly led to a veritable flight of voters from the party. Up until the change of government in May of this year, the Labor Party's lead over the Conservative Party grew steadily. In the April poll, the Labor Party led by 15.4 percentage points. As early as the following month, the voters' reaction began to emerge. The lead was reduced to 11.2 percentage points, and in June it was down to 7.8. The trend was very clear, but no one would really have believed that the difference would be equalized as quickly as the first poll after the summer vacation. To be sure, surveys by other institutes had also shown that levels

of support for the two major parties were in the process of getting closer to one another.

Young Voters to Conservative Party

The major swings we have seen in recent months are unprecedented in Norwegian polling history. The Labor Party's decline from 39.9 percent in June to 35.5 percent in August (-4.4) corresponds to voter defection on the order of 100,000 during the summer vacation. The Conservative Party's advance from 32.1 to 35.5 percent is also exceptional. Background figures show that a full 98 percent of those who voted Conservative in last year's election would do so again and furthermore the Conservative Party gets nourishment from all the other parties—comparatively the most from the Progressive Party and almost as many from the Labor Party in absolute figures. The Conservative Party also does particularly well among younger voters. In the group under 30, 42 percent would vote Conservative, while only 19 percent prefer Labor. In the next age group as well—those between 30 and 45 years of age—the Conservative Party receives the greatest support.

Socialist Party of the Left Wins Too

After the Conservative Party, the Socialist Party of the Left gains the most from the Labor Party's decline. For a long while, the Socialist Party of the Left has stayed fairly stable between 5 and 6 percent, but this month advances to 7.2 percent (+1.4). This advance confirms the unrest which could be detected in the Labor Party and the trade union movement over what these groups see as the government's moderate course and willingness to compromise.

Reaction in Progressive Party?

The Liberal Party also experiences a small upswing this time. 3.3 percent (+0.8) is the best result the party has achieved in a long while. On the other hand, the Progressive Party declines by the same amount and finishes with 2.5 percent, the lowest in years. A single poll is of course a slender basis for judgment. But it may well be that voter reaction to the fact that the Progressive Party helped topple the Willoch government is now showing up after people have seen what the Labor Party has done now that it is in power.

Both the Christian People's Party and the Center Party receive exactly the same support as they did in June, 8.4 and 6.7 percent respectively. This corresponds to the levels in last year's parliamentary election, but represents a certain advance in comparison with the pre-government crisis situation.

Nonsocialist Majority

Altogether the three parties of the previous government have 50.7 percent of voters behind them, as opposed to 42.7 for the Labor Party and the Socialist Party of the Left. An election today would have resulted in a clear non-socialist majority in Parliament, even without the support of the Progressive Party.

The survey is very current. Field work occurred from 20 August and ran straight through to Monday of this week.

	Aug.	35.5	0.3	2.5	35.5	8.4	0	0.0	6.7	7 3	3.3	0.0	100.0	42.7	50.6	53.1
	June	39.9	0.3	3.5	32.1	8.4	c	0.0	6.7	ď	2.5	0.5	100.0	45.7	47.2	50.7
	May	41.2	0.3	3.6	31.0	6.9	ć	0.7	7.4	ď	2.5	0.0	100.0	47.1	45.3	48.9
	Apr.	43.9	0.7	3,3	28.8	7.3	•	9.0	5.8	7	2.5	0.4	100.0	50.5	41.9	45.2
	Mar.	43.3	0.1	3.1	30.9	7.2	(	0.0	0.9	7	2.2	9.0	100.0	49.0	44.1	
	Feb.	42.2	0.8	3.5	30.2	8.0	ć	0.6	5.7	U	2.3	9.0	100.0	48.1	43.9	47.4
200	Jan.	41.0	0.4	3,5	30.4	9.5	•	0.0	4.8	7	2.2	1:1	6.66	47.4	44.7	48.2
	Dec.	43.0	0.3	3.1	30.2	7.8	•	0.0	5.8	7	2.7	9.0	1001	48.7	43.8	48.3
	Nov.	45.6	0.0	3.1	31.1	7.5		0.0	6.5	7	2.5	0.4	100.0	48.3	45.1	47.1
	Oct.	41.9	0.5	4.1	29.8	7.6	•	0.7	6.8	u	2.7	0.0	1001	47.7	44.2	0.67
l	t) Sept.	41.6	9.0	4.5	29.0	7.4	(	0.6	6.2	4	, e	0.4	1001	6.74	42.6	51.6
1985 Parlia mentar elec-	(percen	8.05	0.5	3.7	30.4	8.3	•	7.0	9.9	u	3,1	0.4	100.0	46.3	45.3	
1981 1985 Parlia- Parlia- mentary mentary	(percent)(percent) Sept.Oct.	37.1	9.0	4.5	31.8	9,3	(	0.3	9.9	u	3.9	0.2	1001	42.1	47.7	52.2
		Labor Party	Liberal People's Party	Progressive Prty	Conservative Party	Christian People's Party	Norwegian Communist	Party Radical Laft	Center Party	Socialist Party	liberal Party	Others	Total	Labor + Socialist Left	Conservative + Christian People's + Center	Conservative + Christian People's + Center + Progressive

The figures show how people would vote if a parliamentary election were held tomorrow, of those who would definitely vote. Also asked was which party people had voted for in the 1985 parliamentary election. The differences between the support for the individual parties on this question and the actual 1985 electoral result was used as a weighting factor. Interviews were conducted over the period 20 August-1 September 1986. Gallup/Norwegian Public Opinion Institute

#### Economy Behind Government's Setback

Oslo AFTENPOSTEN in Norwegian 6 Sep 86 p 3

[Commentary by Bjorn Talen: "Crisis of Confidence"]

[Text] The startling Gallup/Norwegian Public Opinion Institute August poll will certainly further accelerate tactical discussions in the nonsocialist camp about when it will be the most favorable to topple the Harlem Brundtland government. But these discussions will still seem peaceful when compared to present developments in opinions at Youngstory.

Not only were those who warned against a calendar for taking over the government proven correct. Political developments also indicate that the Labor Party finds itself in a serious crisis of confidence.

Some have indeed reacted to individual issues such as the devaluation, the fumbled handling of the wage settlement, no to private health care facilities, NATO footnotes—and gross taxes. But the major reason for the voter flight from Labor is probably Gro Harlem Brundtland's national record for running away from guarantees to voters and pledges made when her party was in the opposition.

#### Everything Was Wrong

Indeed it was not so very long ago that voters heard that everything was wrong in the Kingdom of Norway. But if only the Labor Party had power, things would be fine again. However, a few days after Gro Harlem Brundtland and Company had moved into government offices, there came the message that electoral pledges could unfortunately not be fulfilled. Suddenly there seemed to be full employment in this country, so actions which would create expectations were no longer necessary. Waiting lines for health care and other conditions for which the Willoch government had been criticized, for reasons which were partly justified, did not at all vanish overnight. Or during the summer either.

#### Muses Dance

The Labor Party also probably had its reliability cracked at the start in its attempt to renovate the liberty facade. At the very first opportunity, the new government said no to greater chances for choices in the health sector-observe that it did so without proposing anything else instead except vague promises of increased public effort.

Furthermore, for many years the Labor Party has been able to score points on the split among nonsocialists and their lack of willingness to cooperate. Four months of governing has meanwhile revealed that the ability to manage is not what it once was in the mighty Labor Party. The prime minister chose to travel to Canada during the wages uproar. And while the cat was abroad, the minister-muses each danced on their own stages.

Thus far Gro Harlem Brundtland has neither the power to show that she is the country's leader nor shown clearly where a unified government is going.

Is the Conservative Party Learning?

The chasm between strained expectations and the results which now glow in their absence can lead to nothing other than a loss of confidence among voters. Or, in other terms: The voter landslide is due more to what was said when Labor was opposing than to what is being done now that it is in position.

Against this background, then, it is exciting to see what lessons the Conservative Party will draw from the competition's misfortune. At this moment Rolf Presthus is bearing down hard on the Labor government. The danger of going overb oardis obvious, and it may prove wiser to ensure a record high support rating by having a more conciliatory tone and demonstrating a willingness to cooperate in solving the country's evident economic difficulties. Last year's parliamentary election in Sweden sent the message that voters do not reward making crises with words.

#### Two-Party Clash

As in other polls, the figures from Gallup/Norwegian Public Opinion Institute show that the fight over political power has become an exclusive clash between the Conservative and the Labor Parties. We are hardly going in the direction of any two-party system in the forseeable future, but support for the parties in the middle seems to be very stable—almost independent of political events. It is the special interests, legitimate, as far as these go, which keep the Christian People's Party and the Center Party alive. They have significant influence on the political tug of war on Capitol Hill. But the fight over which voters have decisive influence is between the Conservative Party and the Labor Party.

The issue of whether a nonsocialist government will stand or fall hangs on the degree of Conservative success, not on middle parties' swings up or down by tenths of percentage points. Only when the booty is distributed will the small parties acquire decisive influence.

#### Former Center Party Leader Comments

Oslo AFTENPOSTEN in Norwegian 6 Sep 86 p 10

[Interview with Erland Steenberg, former parliamentary leader of the Center Party, by Einar Solvoll; date and place not specified: "Alone With Steenberg: 'Don't Wait To Take On Governing Responsibility'"; first paragraph is introduction]

[Text] "The nonsocialist parties ought not to wait too long to get a new nonsocialist government established. But that presupposes that they have an easy time finding a strong political common basis to bring down the sitting government," says Erland Steenberg, former Center Party parliamentary leader.

"Last spring the Labor Party managed to play the three parties in the government off against one another and for this reason it is necessary to come together and make it clear that they once again have the willingness to govern together," he said.

After a nine-year absence from politics, Erland Steenberg has now set up his own real estate agent's office in Nedre Eiker, his home town. The municipality has 18,000 inhabitants and has the size of a medium-large Norwegian city. Steenberg is the only real estate agent in the town, which is a few miles from Drammen.

"At the end, I had had it almost up to here, but I wasn't bitter for my own sake when I wasn't reelected in 1977. But of course it was hard for my party that we were so weakened." he said.

[Question] How then does Erland Steenberg assess some of today's political issues, what, for instance, does he think about the Progressive Party, seen in relation to a nonsocialist coalition government?

[Answer] I don't dare depend on the Progressive Party. It would be both unrealistic and uncertain to believe that it would be a loyal cooperative partner.

[Question] What of the Center Party's own future?

[Answer] The Center Party has been peeling away in recent years, and there are people who were once very active in environmental issues who have left the party. These matters have since become common property. But I won't pretend to be either a strategist or a prophet on the issue of what has to be done to get these lost voters back.

[Question] Was it hard to hold the Center Party together with so many personal differences?

[Answer] I will not talk about any personal characteristics.

Erland Steenberg entered Parliament in 1965 but was not among the leading politicians during those first years—or during the EC campaign, according to him. But in 1973 he was elected parliamentary leader of the Center Party, which had been on the winning side after the EC referendum.

#### Difficult

"The 1973 election came in the middle of a very difficult time and called for a certain balancing act," he recalls. "Both parties and members of parliament one had previously collaborated with found themselves in a strained environment. It was difficult to create a good climate for further cooperation.

In such a climate, the first soundings among the nonsocialist parties took place. We had the Alcan case in 1974, but the moment was simply not right for a change. So it was a question of avoiding a government crisis over the case. Besides, the Center Party was for domestic purchase of the stocks, even if we were not satisfied with the economic offer," he said.

# Could Have Gone Badly

"We got what we wanted in the EC affair, but it was the fact that the opposition accepted the result of the referendum and the trade agreement which was

decisive for the good end to the soundings. Besides, it would have been fatal if we had permanently remained on bad terms with one another," he said.

[Question] Then why did so many people in the Center Party have such major problems about joining in future cooperation with the Conservative Party?

[Answer] Many people had viewed the EC fight as being so basic that many Center Party people found it both hopeless and absurd to cooperate with old, determined EC proponents. But time heals all wounds, and while the fight was a step backwards, Center Party people could also look for closer government cooperation.

[Question] What do you think about the efforts of your successor, Johan J. Jakobsen?

[Answer] I have great respect for him, and can safely say that I feel we share the same philosophy concerning ways of furthering both Center Party issues and cooperation. It's a fairly natural continuation of the position I had.

[Question] What is your opinion of the Conservative Party's Rolf Presthus, who is probably going to be the next prime minister?

[Answer] For my part, I have great respect for him. We worked closely together for several years in the finance committee of Parliament. But just three or four years ago, I didn't imagine him as a candidate for the prime ministership. I remember him as "the slugger" in the opposition and didn't see him as a stylish party leader wigh weight or as any sort of father of his country. But in his time as a cabinet minister, Rolf Presthus has shown quite another side of himself.

# Worthy of Admiration

"He has tackled the situation in an admirable way. Despite his exposed position as finance minister, he has emerged and won confidence not only within his own party and in the nonsocialist camp, but even deep within the Labor Party. I think that if he becomes prime minister, he will have good opportunities to become a good leader, a bridge-builder between parties."

[Question] Do you miss politics?

[Answer] When I left in 1977, for a while I thought it would be hard, but today I can tell you honestly that I have not missed parliamentary work. Quite the contrary, it felt like a liberation to escape far from those unusually difficult years I lived through. But of course it's not possible to tear yourself away completely. I follow events in the newspapers.

Erland Steenberg ran a business before he entered Parliament. His son took it over. Today they share an office in a remodeled building in downtown Krogstadelva. After being the director of the Norwegian Real Estate Agents Association for eight years, Erland Steenberg is now 67 years old. But he is earning a living as an agent and not living the life of a retiree.

"The nonsocialists shouldn't wait too long," Erland Steenberg stated. The Norwegian Real Estate Agents Association has honored him for his service to the world of agents. He was also an agent when he was the Center Party's parliamentary leader.

# Newspaper Comments on Poll

Oslo AFTENPOSTEN in Norwegian 6 Sep 86 p 2

[Editorial: "Upheaval"]

[Text] It is possible to establish a long-term and a short-term perspective on today's astonishing opinion poll, which shows that the Conservative Party is now in a dead heat with the Labor Party, and bigger if one looks at the people who actually responded. The long-term view is that the distance between the two has shrunk greatly. Twenty years ago the situation was approximately 45-20 in the Labor Party's favor, ten years ago it was 40-25. Today they stand at 35-35.

The short-term perspective is what has occurred in recent months, and in this regard the Gallup/Norwegian Public Opinion Institute figures cast a judgment over the Harlem Brundtland government. The poll tells of an unparalleled voter flight, since April one-fifth of its voters have left the Labor Party.

Such studies are history the moment they are published. For this reason we do not know for certain what we are really looking at; a radical change which took place or one which is going on. Even if the party should hope that the worst was over, what has already happened must seem like something akin to a catastrophe. Last spring's gain has blown away, an election now would give a clear majority to the three nonsocialist cooperating parties.

In politics another's fiasco is your success, and displeasure with the way the socialist government has been running things has naturally contributed greatly to the nonsocialist advance. But when the whole shift takes place to the benefit of one single party, the Conservative Party, the explanation must in large measure be found in the party itself.

The Conservative Party has the power--in practical political terms--to unite the call for freedom with social responsibility, political maneuvering skill with an understanding of the limits of politics, moderation with steadfastness of principle, independence with the ability to work with others. At the same time the party is supplied with good leaders, first among which stands Kare Willoch as the unchallenged unique man in Norwegian politics.

In addition to its insight and determination, the Conservative Party has also possessed patience. It has abstained from momentary popularity and thereby won respect. Advances are now being made from all quarters: 10 percent of Center Party voters, 5 percent of the Christian People's Party's, 3 percent of the Labor Party's, 18 percent of the Progressive Party's. Plus remarkable stability in its own ranks.

The sudden collapse of the Labor Party is entirely self-inflicted. It set up a government crisis without having the basis for the creation of a stable government by itself. It let inflation shoot up. It handled history's most expensive wage settlement with unsurpassed incompetence. And, more than anything else, this became the government of broken electoral promises. So the party has not landed in a crisis of popularity but in a crisis of reliability. One question is what effects this will have on Gro Harlem Brundtland herself. It was under her leadership—or worse; under her lack of leadership—that the party landed in the situation in which it now finds itself.

On the opposite side, the Conservative Party's advance will give the party increased weight but also limit its bargaining freedom. Voters who are lining up behind the party expect that it will bargain. They want to have a new government, led by the Conservative Party.

12789

CSO: 3639/155

POLITICAL

CAVACO SILVA, FREITAS DO AMARAL AGREE ON NONPARTISANSHIP

Lisbon TEMPO in Portuguese 22 Aug 86 p 12

[First paragraph is TEMPO introduction]

[Text] In exchange for the support he received from the PSD [Social Democratic Party] in his race for the presidency of the republic, Freitas do Amaral promised Cavaco Silva not to become involved in any partisan activity for 5 years. But under the terms of the agreement, which secured personal involvement in the election campaign by the prime minister himself, the former presidential candidate can return to the partisan fray before then if he joins the PSD.

Before the last presidential election, Freitas do Amaral and Cavaco Silva made an agreement to the effect that the former could not involve himself in partisan activities for 5 years unless he decided to join the PSD. According to information confirmed in CDS [Social Democratic Center Party] and Social Democratic circles, it was after the signing of that agreement that Cavaco Silva instructed his party structures to involve themselves in Freitas do Amaral's campaign and that the prime minister himself decided to appear at Freitas do Amaral's campaign rallies. The former chairman and founder of the CDS informed the PSD's leader that his political thinking had undergone a change and that he saw no disadvantage in someday joining the PSD.

After losing the election by a minute margin, Freitas do Amaral kept his agreement with Cavaco Silva, who because of that did not block the appearance of the 21st Century Foundation, in which some members of Cavaco Silva's government and PSD leaders are active. Since Freitas do Amaral is under obligation not to engage in partisan activities for 5 years, the 21st Century Foundation will restrict itself to cultural initiatives, although sometimes in Through the foundation, Freitas do Amaral wants to keep the political area. his name linked to political life. The 21st Century Foundation will be very active beginning as early as this October. To that end, it will receive valuable help not only from the Heritage Foundation in the United States, which is connected with Republican and conservative circles in that country, but also from the Konrad Adenauer Foundation in the FRG. That powerful Christian Democratic foundation has realigned its activities in Portugal and decided to support only the IDL (Adalino Amaro da Costa Democracy and Freedom

Institute), which is an autonomous CDS institution headed by Eugenio Anacoreta Correia. The IDL and the Konrad Adenauer Foundation will participate from time to time in politicocultural activities by the 21st Century Foundation. Meanwhile, Freitas do Amaral is directing his efforts toward putting leaders he trusts at the head of the CDS. That will happen at the next congress, where Adriano Moreira will again be opposed by members of the party's modern wing, particularly Morais Leitao and other important figures who have now joined the 21st Century Foundation along with Freitas do Amaral.

Like other outstanding political figures on the Portuguese Right, Freitas do Amaral feels that it will not be possible to govern Portugal without a majority in Parliament, since there is no party capable of clearing the 40-percent hurdle. Freitas do Amaral feels that the CDS, currently regarded as a party with 5 percent in general terms, may reach 10 percent if its leaders are replaced. If the PSD then achieves 39 percent in upcoming elections and the CDS wins 10 percent, there will be a parliamentary majority of 49 percent. That is the appropriate path in the Portuguese situation—in the view of the conservatives—since a leftist majority consisting of the PS [Socialist Party] and the PCP is not possible.

It remains to resolve the question of the PRD [Democratic Renewal Party], but all observers agree that in upcoming elections, the PRD will not get more than 5 or 6 percent of the vote even with Ramalho Eanes at its head. If there are legislative elections in the near future, Freitas do Amaral will participate actively alongside Cavaco Silva while also preparing to enter the presidential race in 1991.

It can be said that for the next 5 years, Freitas do Amaral will pursue a personal policy aimed at staying at Cavaco Silva's side and at respecting the agreement reached by the two men. Both politicians are preparing to be dominant figures in Portuguese life in the next decade.

11798

CSO: 3542/150

POLITICAL

## PROFILE OF NEW CGTP-IN UNION LEADER PROVIDED

Lisbon O JORNAL in Portuguese 22 Aug 86 p 12

[Article by Jose Pedro Castanheira; first paragraph is O JORNAL introduction]

[Excerpts] Manuel Carvalho da Silva is the new strong man in the CGTP-IN [General Federation of Portuguese Workers-National Intersindical]. Practically unknown to the public and in political circles, he is replacing Armando Teixeira da Silva in what is considered a natural succession, since he has been the top man in charge of the central union's apparatus for the past 9 years. Raised as a Catholic, awakened to trade unionism only after 25 April 1974, and a member of the PCP, Carvalho da Silva will be the chief protagonist in a new phase in the life of the CGTP. His roots in Minho are obvious in his taste for work, his homesickness for his family, and the cabbage he grows in the back yard of the house he lives in.

For the next few (many?) years, Carvalho da Silva will be the public image of the CGTP, where he is replacing another da Silva (Armando Teixeira) who has been secretary-coordinator since 1977. The two da Silvas have been friends for a long time (such good friends, in fact, that they shared a house on the outskirts of Lisbon for years), both were born and raised in the North, and both are members of the Communist Party. There is, however, an important difference between the two: whereas Armando found himself promoted to coordinator overnight, Manuel has 9.5 consecutive years of work in the central union's organization department behind him.

From Minho and Raised a Catholic

A native of the village of Viatodos (in the municipality of Barcelos), where he was born in 1948, Manuel Carvalho da Silva is the son of small farmers in a region that has been accustomed to toil for as long as anyone can remember. Green wine, potatoes, beans, and corn hold no secrets for him or for his five brothers, who have not followed the example of the eldest son, who "turned" trade unionist and therefore came to live in Lisbon.

After being trained as an installing electrician at the industrial school in Braga, he started working at the age of 17 in a shop that repaired household electrical appliances. His first monthly wage was 750 escudos. He went on to

work at other jobs until, in 1973, he "stabilized" at the Portuguese Electrical Engineering Company (PREH) in Trofa, which is owned by a West German group and assembles components for the electronics industry. He has been a member of the Workers Committee since it was established and participates in its meetings with some regularity.

Raised as a Catholic, he was a member of the JAC [Catholic Agrarian Youth] and the JOC [Catholic Labor Youth], "but I never participated very actively." He was married in 1972 and has two children, both boys and both baptized. His "companion," as he likes to call his wife, is also from Minho and has also been a union leader in the past. She currently works for the municipal government of Seixal, the municipality where they have lived for almost 3 years in a house rented from the Housing Promotion Fund. Behind their house is a tiny vegetable garden.

Military service was an important period in his personal growth. As a militia quartermaster in the Signal Corps, he was in Angola (Cabinda) in 1970 and 1971. His military service was relatively calm: "I took advantage of it to reflect on many things. It was a time of training, watchfulness, and sociability."

Joining the PCP

Involvement in politics did not come until after 25 April 1974. Invited to join the PPD [Popular Democratic Party] and the PS [Socialist Party], he chose the PCP instead—"I don't remember exactly when." We asked him if he considered himself a Marxist. "I don't worry much about definitions because what matters is what people do: their day—to—day life. I follow a Marxist—Leninist line of reasoning, but I don't renounce my Catholic upbringing, since I don't regard it as a negative factor."

As a rank-and-file member of the party, he belonged to the Municipal Assembly in Braga (then presided over by Salgado Zenha), to which he was elected on an APU [United People's Alliance] ticket. Explaining the reasons why he joined the CP, he alludes to a "space for work" and the need for "collective intervention." He emphasizes: "But I was a trade unionist before becoming a Communist militant!"

His commitment to union activity also dates from the period after 25 April. In his workplace, his colleagues elected him union representative and member of the Workers Committee. In June 1975, he was elected to the secretariat of the Porto Union Federation along with Joao Pacheco Goncalves (currently coordinator of that body), Vitor Ranita, Sequeira Nunes, and Armando Teixeira da Silva, with whom he struck up an acquaintance.

Teixeira da Silva's "Right-Hand Man"

In the Porto Electricians Union, except for a few months in 1976—during which he was a member of an executive committee that replaced a slate supported by the PS and the MRPP [Movement for the Reorganization of the Proletariat Party]—he held no executive posts.

In the final months of 1976, he was fully involved in preparations for the second congress, which marked the central union's adaptation to the constitutional regime. He participated in a few meetings with "Open Letter." Elected to the CGTP Secretariat, he has been an official in the central union since 31 January 1977.

Regarded at the time as coordinator Armando Teixeira da Silva's "right-hand man," he immediately took over the critical organization department, still strongly marked by the features that had been dominant during the 1975 era. He remained there until the congress of 1980 [as published], having been the only leader to remain constantly in charge of the same department for 9 years.

"CGTP not in Crisis"

As the man in charge of organization for almost 10 years, he knows the CGTP like the back of his hand and is aware of its problems as few others are. Perhaps for that very reason, he—along with Jose Luis Judas—is one of the pillars behind the turn taken by the central union at its congress last May. "The congress was not the result of half a dozen days of work," he observes, citing as an example the organization conference in November 1985, "where many things had already been decided in outline."

We challenges the idea that the congress marked a turn to the right, just as he also refutes the charge that the CGTP is experiencing a crisis.

Likes To Cook

"I am very fond of work." That permanent state of mind, combined with his absorption in the central union's activities, leaves Carvalho da Silva with very little free time. Whenever he can, he jumps into his Corsa and drives to the North to visit his brothers and sisters and their spouses. "We are a very close family." He has a house in Braga, but his preference is for Vilarinho das Furnas. In the summer, he goes to Sesimbra to swim and catch some sun. He jogs regularly: twice a week and about 10 kilometers, but not in competition: "That would be contrary to my reasons for running."

Perhaps his favorite hobby is cooking.

"I am a homegrown leader," he says with a touch of pride. What he means by that is that he has never taken a training course in the East. For that matter, he has not done much traveling. He visited the USSR only on his way to the PRC in April 1985. He has been on a working visit to the GDR and Hungary. The foreign central union that impressed him most favorably was the one in Cuba. When we asked him which model of society impresses him most, he answered with an unaffected smile:

"I am very fond of living in Portugal, of our people, and of this land. And I know that the conditions exist for building a constructive society here."

11798

CSO: 3542/150

POLITICAL

MDP LEAVES ALLIANCE WITH PCP

Lisbon SEMANARIO in Portuguese 2 Aug 86 p 9

[Article by Lilia Marcos]

[Text] The United People's Alliance seems to have its days counted. Around October, it will be put to the test. The PDP/CDE is invoking "incompatibility of style," "differing biorhythm" and "a change in events." It recognizes that "alliances are made and annulled."

Desire aside, multiple factors and the play of forces decide history and help create reality.

As a result, alliances are made. "They are important at a given time." Why? "The PS has been so unstable that there was a need to create a very strong barrier to fascism."

There are (still) very many people who attribute to politics the mission of proclaiming the truth. It is difficult because truth is always changing. It is biodegradable. But there are those who do it. "APU met its goal. It served one political reality. There are few alliances that can boast of 7 years existence. The only thing is that truth, in politics as in life, is very important," a leader of the MDP told us.

The process was started 4 years ago but the justification for the alliance as well as for its demise go back much farther. "Prior to 25 April the standard measure was that one was either for or against the communists. In the manichaean game, it was easy for people to shield themselves in these two slots without defining their positions otherwise. Now (as a matter of fact it has always been), the MDP/CDE is out of this game. It is neither for or against the PCP."

Alliances are broken because the partners involved do not have permanent extraorlinary insight or separate ideas. All are subject to error and judgments.

The allies' differing characteristics come to the surface. "The PCP is always combative and weighty while the MDP is pedagogical and not on a crusade. Their timings are not synchronized. It is a matter of incompatible styles and different biorhythms."

Both parties agree on the larger questions and the long term objectives. There are differences in motivation at this time.

The MDP/CDE leadership, which has no power of decision because there is no tradition of top leadership, confesses its sin: "the consequences of the APU alliance were badly evaluated."

In addition to the "different characteristics," they add that the MDP "is not a democratic party in the formal sense that it is a grassroots party whose work has not been overshadowed by the "inflation of successive elections."

To assess questions of error and truth, not only in this or that tactical phase but in setting strategy and providing direction, is not an intellectual amusement. It is a key problem. This is so even if we acknowledge that "more than 60 percent of the technical cadres in the MDP/CDS organization are teachers."

And now what? They assure us that the MDP/CDE does not function like the majority of parties which have the "formation of a government" as a goal. For this reason "the MDP is not a place for individual games."

As a result, no one at the party's headquarters is making any guesses about the future. It is known that the 15 motions that have already been brought to the headquarters to be presented at the national meeting scheduled for the end of October underscore "the difficulties in the APU."

There are those who venture a prediction: "If we continue in this direction, there will be no APU in the next elections."

Break up? Why? "It is important for the MDP to go into the elections by itself. It needs to find out what it is without being subjected to distorting stereotypes. What it wants is to reflect deeply."

Other alliances? "An alliance can only be justified to safeguard democracy."

To paraphrase Vinicius de Morais: (alliances, loves, and truths) "are eternal while they last."

9935/12859 CSO: 3542/139 POLITICAL

MEMBERSHIP IN 21ST CENTURY FOUNDATION BELIES NONPOLITICAL CLAIMS

Lisbon TEMPO in Portuguese 1 Aug 86 p 6

[Article by Joan Rosa]

[Excerpt] Eleven leading members of the PSD formally and publicly assumed administrative positions in the Twenty First Century Foundation. In so doing, they put an end to much speculation and rumor to the contrary. As a result, they have engaged the image of Cavaco Silva's party (whether they want to or not) among the ranks of Freitas do Amaral's presidential election organization right from the start.

Those who assumed these positions are: Jose Miguel Judice, Marcelo Rebelo de Sousa, Alvaro Barreto, Margarida Borges de Carvalho, Manuela Aguiar, Oliveira Martins, Antonio Maria Pereira, Vaz Portugal, Carlos Macedo, Jose Augusto Seabra and Rui Almeida Mendes. They are all distinguished social ministers. This undoubtedly proves that Cavaco Silva did not want to initially oppose the engagement of his party's image. Since it is not in the least bit credible that if he opposed this, these people (in such large numbers) would contradict him and go along with becoming part of the foundation's leadership.

It is evident that the foundation is aimed at bringing together, under the guise of declared cultural goals, those who continue to believe in Freitas do Amaral's (who never distinguished himself in culture) candidacy in 1990.

This does not mean that the PSD or even these PSD members is pledged to giving its support to Freitas do Amaral's inevitable candidacy, at least not in the first round when it will almost certainly have its own candidate. What it does mean (and this is the point) is that Cavaco Silva continues to indicate by his strategy that he wants to straddle the vast socio-political spectrum that voted for Freitas do Amaral 6 months ago. This is the same electorate that, as a matter of fact, is now led by Cavaco Silva. This electorate will certainly be generally loyal to the PSD in the next legislative elections (early or regular) which will be held before 1990.

Meanwhile, there is internal opposition to PSD militant engagement in the Twenty First Century Foundation. This opposition argues that the party has under its wings organizations with similar goals to this one (specifically the Oliveira Martins Foundation and the Social Progress and Democracy Institute) making it incomprehensible for PSD members to join Freitas do Amaral's foundation.

9935/12859 CSO: 3542/139 POLITICAL

#### PCP REPORTEDLY SATISFIED WITH POLITICAL ACHIEVEMENTS

Lisbon DIARIO DE NOTICIAS in Portuguese 12 Aug 86 pp 2-3

[Commentary by Oscar Mascarenhas]

[Text] If any Portuguese political party deserved the summer break, it was the PCP. It is a well deserved rest. The past political year has put the party through difficult tests and it passed them remarkably well. It is a vacation of refreshing tranquility. The coming year augers well for the PCP. It has no pressing need to rack its brains with future scenarios of political organization. Given the restlessness or impatience of other groups, the PCP can very well afford to do this. It will restrain itself and reap what it has sown, or helped to sow, and it will not forget to sow new seeds, as chance permits, in order not to lose the habit.

The fact that the PCP is preparing a national conference on the emancipation of women for 22 November is an indicator of tranquility in partisan politics to which the media has not attributed much meaning. Now! It will be said that the media has every reason not to give much importance to such an initiative because it will not change the party's direction nor will a destabilizing mass movement emerge from it. Since none of this will happen, it is not news. On the contrary, the party's interest in this type of activity (one which had been postponed for the past 2 years because electoral or other types of battles intervened) could indicate one of two things: the PCP sees its maneuvering room limited to an essentially cultural and political innocuous activity (a theory that is so far from reality, as we shall see later, that it would not be worth analyzing); or that Alvaro Cunhal's party will have time to make its cultural demands because it expects there will be a less encumbered calendar.

A planned meeting of cadres to discuss media questions could be another indicator. This meeting does not yet have a fixed date. Here, however, the same argument should be made but in reverse. The topic has enough validity to be included in the order of the day but the PCP is in no hurry to schedule it. As a PCP leader told DIARIO DE NOTICIAS, since the party functions very effectively and is capable of responding rapidly to immediate demands, it is awaiting an opportune moment to begin discussions among its cadres. It is not a party to hurry. There is much to see in the meantime.

Six Victories...

In an Alvaro Cunhal speech at the Sun Festival held at Vila Nova de Gaia, the central committee methodically and systematically took stock of the political year. It listed six big strategic defeats (which is the same as saying six victories for the PCP) for the Cavaco Silva government:

- the breakup of the alliance and coalition with the PS, for the moment a temporary situation which democratic opinion may make definite;
- a majority AD coalition composed of the PSD and the CDS did not reemerge;
- Freitas do Amaral was defeated in the presidential elections (no reference was made of Mario Soares' victory; quite a few communists acquiesced and merely said that he came next to last in the second round...);
- parliament rejected a number of unconstitutional and anti-democratic legislative packages (agriculture, labor, etc.);
- creeping executive domination of all political power (through the subordination of all branches of government to the executive) was stopped;
- the "social pact" and "social peace" were not achieved despite the government's claim to the contrary.

At least the first five points, expressed one way or another, seem unquestionable. However, there are those who may question the point concerning the social pact, especially if great importance is given to the management/UGT agreement drawn up under government auspices that establishes a wage ceiling for the next negotiating round. Since the CGTP did not sign it, it is legitimate for the PCP to dispute its effectiveness.

... and a Few More

We would add four more points in favor of the PCP from our look back at the political year:

- the PCP's ability to translate a decrease in the number of votes on 6 October into parliamentary power;
- its spectacular ability to give a decisive push to the presidential elections without suffering any internal breaks while maintaining perfect balance between what the party decided and the electorate did;
- it reestablished contacts with the PS after 7 years of bad relations and it kept the CGTP on a short leash; it opened what it thought should be opened but never because it was forced or pressured by competitors or adversaries to do so, which in the final analysis means it opened very little.

Let us begin with the legislative elections in which the PCP/APU was electorally punished with a decrease in votes that presumably went to the PRD. In no way did it suffer the losses that the PS suffered. However, the setback took the sparkle out of the election propaganda, which always has an epic triumphant tone or at least an optimistic tone.

The national salvation government the PCP was calling for did not emerge from the elections. In its place emerged the Cavaco government. To the PCP this was exactly the opposite of what it wanted. What emerged was a minority government with political goals that are very far from what the communists would like. Furthermore, the parliamentary group led by Carlos Brito diminished in size.

Were there only defeats, then? The PCP did not see it this way. While other parties licked their wounds (some in self pity) or contemplated the meager results they obtained and made traditional promises not to systematically oppose the government but to become a constructive opposition, behave in a civilized manner, and allow the government to govern, the PCP raised its voice and set its course. It said that the elections had transferred real power from the government to the Assembly of the Republic. And it was done. Any doubts? If you have none, please mark one point in favor of the PCP.

The presidential elections came along; new anguish for the PCP. It seemed completely disoriented. The militants were pushing for Pintasilgo while the leadership were lukewarm to her. She represented a shot in the dark and this is not included in the party's canons. Zenha appeared on the scene and immediately there was light at party headquarters. Let it be Zenha said the national conference unanimously at its meeting in Sacavem. Pintasilgo was left with her days (and especially her votes) numbered. But it was not too late. Neither Pintasilgo nor Zenha, who practically occupied the same political space, could stop Soares from slipping to the front in the second round.

#### Who Thanks Who

Who then! Freitas do Amaral's (the conservative candidate) Siamese twin, as Aboim Ingles called him. The extraordinary congress was called under a storm of speculation concerning internal divisions, the impossibility to reach a consensus and the choice of a call for voter abstention. There were 944 people present at this meeting and only 2 did not support the central committee's recommendation. The real test, at the voting box, was missing. Once that was done, the PCP left the political world amazed. The party with glass walls, as Cunhal called it, was able to have its electorate represented (when the votes were counted) pretty much the same way as the historical vote at the extraordinary congress. Soares, a name that is banned in the PCP, won. His name continues to be banned at least until the communists have a change of heart and forget. Since the election, no word is spoken about Soares. The office of the president is treated with cordial distance while emphasis is placed on the Assembly of the Republic. Neither praise nor criticism is leveled at Soares. He is not even questioned on his promise to anticipate political crises and prevent them from exploding... The PCP more than demonstrated in the presidential elections its unprecedented ability to chose between Siamese twins. It proved that it is in politics with the same pragmatism as the professionals and someone should thank it for showing it.

If it was difficult for the PCP to swallow Soares' electoral victory, it found the compensation refreshing to the soul. The departure of the PS' traditional leader coincided with the restart of talks between the two parties. We cannot stop the communists from saying, see? He had to leave before talks between the PCP and the PS could take place!

The PCP's new perspective on its position was so good that it allowed itself the luxury of forgetting other old feuds with what it had until then called small leftist groups. Here then is the PCP and the UDP or the PCP and the PSR sitting around the same table talking. Here also, it was necessary for the UDP to leave and the PSR to have never entered parliament for the discussions to be held...

In all these situations, the communist leaders did not have to feel uncomfortable when they sat at the table. They were not forced to do what they were doing nor had conditions been put on them.

Lastly at a different level, there is the talked about case of the CGTP opening up. The illusion did not last long. The most recent documents clearly show that the majority tendency in the INTER stopped the adventurous step of recognition of the rights of tendencies. We acknowledge, as a working hypothesis, that the CGTP's assumption of a tough position in the middle of the road may be connected with the announced goal of the Vitor Constancio wing of the PS to gain control of the entire Left in an effort to divide the political spectrum in two. This would make the PSD the other contracting party in this new Tordesillas. The PCP may have wanted to show that no one is about to displace it from the positions it holds and reduce its importance. Naturally, an official party source denied any connection between events in the Intersindical and the policies from party headquarters.

#### Counter-Cosmetics

Now, what must the PCP do next year? In no way does it have to draw a systematic tactic to achieve the results it wants: replace the Cavaco Silva government. If this desired goal is not within reach, it will content itself with what has been happening until now. It will put obstacles in front of the executive branch in the Assembly of the Republic.

Along the way, it will test the veracity of its views on social issues. The communists do not believe that the life of Portuguese workers has improved during this administration. In its view, there has been a cosmetic operation made at two levels: (1) critical situations have been camouflaged by government propaganda; the PCP's figures do not indicate a decrease in unemployment or in wages in arrears (except among those who do not have wages in arrears because they were dismissed), that there has been an increase in investment, or that the EEC has brought anything other than pain that will only worsen, etc., and (2) in the communists view, this government is still benefiting from a favorable comparative effect that is based on comparisons with the central bloc government.

Whether or not the PCP's analysis corresponds with reality can be debated. It will certainly contribute toward making the crisis more vivid. It will leave the challenge of presenting the situation in a different light to the government (if it is possible to do) or it will change the painting profoundly before it peels.

# Without Nostalgia

The specter of new elections does not emerge in the foreseeable future. We would add that it is precisely because Cavaco and the PSD want new elections and the decision rests with Soares that there will be none. As a result, the area where the PCP has most difficulty is far removed. Because the PCP is a very orderly party and it is comfortable in orderly confrontations where it knows exactly the opposition's position and strengths. The uncertainty of undecided voters or of those who do not completely identify with the present party makeup (this category represents a rather significant number of people) is an unknown that throws off the estimates. There is no taste in the PCP for going through another experience like the presidential elections, even though (or perhaps especially because) the results have been encouraging.

The PCP is not interested in an election that will further complicate the parliamentary picture, even if someone tries to entice it with the possibility of those who went over to the PRD returning. What advantage does this have for it, if even with the loss of votes the PCP became more influential in parliament? It is in this context that we can find deep sincerity in the words of a PCP leader: "We have no nostalgia for the time prior to the emergence of the PRD." In its view, some people's idea that for some parliamentary votes, such as the motion of confidence, in which the PS and the PCP vote against the government and the PRD abstains (thus supporting the government) is not valid. They say: if only there were only the PS and the PCP... If there were only the PS and the PCP, the communist leadership believes that the situation would be the same. The PS would then abstain from bringing down the government... The PCP feels better having three parties on the left side of the parliamentary floor managing things because then the bipolarization theory is pushed even further away. All alternative solutions to the present government formula pass through the PCP. It must be heard and with some attention unless a coalition with conservative parties is made (i.e. the PSD). Only a reemergence of a central bloc would make the communists get into a bad frame of mind. But who wants to follow this course? What reason then does the PCP have to be concerned?

The PCP is spending its summer vacation putting on many summer festivals (a Friendship Festival, a Festival of Joy and a Sun Festival) throughout Portugal. The Avante Festival, as a rule, is a final touch in anticipation of the end of vacation and a return to work in September. All indications this year are that it will be essentially a celebration of a difficult but positive year for the party. It will be a jewel. The militants and sympathizers have reason to be satisfied with their party.

9935

CSO: 3542/143

POLITICAL

PRD READYING FOR 'SURVIVAL STRUGGLE'

Lisbon DIARIO DE NOTICIAS in Portuguese 13 Aug 86 p 2

[Article by J. Fragoso Mendes]

[Excerpt] The promise in 1985 was that it would be a "new party". As a matter of fact, it was on this basis that it developed its entire campaign of opposition to all the "old" parties. The idea took to a certain extent and the electorate, as if disenchanted with what it saw and felt, grabbed hold of the PRD's message and gave it 18 percent of the vote and 45 seats in the Assembly of the Republic. Now, 10 months later, the PRD is as "old" as the others in its vices, actions (even though it introduced some changes to Portuguese political life, particulatly in parliament), contradictions, and even in its small (and big) internal feuding.

The PRD that Eanes is preparing to lead is in fact one more party in the eyes of the public. It is not the other party, as it widely advertised prior to the legislative elections, and it is not different, as its leaders still insist on calling it. For the majority of Portuguese, the PRD is merely a new party and not a different type of party.

If in October 1985 the democratic renewalists harvested the fruits of the electorate's disillusionment with Socialist Party contradictions, controversial management of the crisis and strategic errors, they may now see a substantial part of the votes they won slip away and they will not be able to do anything to avoid it. This means that, if the PRD seemed to be a life preserver to many people about 1 year ago and they voted for it in numbers that not even the most optimistic would dare project, the indications (polls, local election results and especially the presidential election) now indicate a flow of votes in the other direction. The PRD will, as a result, be reduced to what many consider to be its ranking; about 10 percent of the vote.

Organize First and Grow Later

The national leadership and Eanes himself seem to be aware of this. They are betting on increasing the party's vote gathering power in the medium term, after they establish an effective internal organization. In reality, the PRD grew too much for the organization (or the lack thereof) it had. In the event of a new election, keeping foremost in our minds the socialist recovery, the possibility that the party will shrink is acknowledged. It may even get fewer votes than the figures revealed in current polls indicate.

The leadership is well aware of this. Meanwhile, it is believed that Eanes' presence as the acknowledged leader may help assure that the fall will not be quick and irrecoverable. Later, in the medium term, the optimists are betting on returning to the level the PRD now enjoys in the Assembly of the Republic.

It is noteworthy that internally the situation is harmonious. Groups and tendencies confront one another at times more visibly than others. It is acknowledged that this is due to the way the party is managed and the mixture of interests, ideological (or in some cases, the lack of it) groups that led to its formation. Ramalho Eanes has some very touchy problems.

Either he lays down the law and puts the house in order, which is what Herminio Martinho has been trying to do for a few months, or he conforms to the situation because of a lack of cadres and the need to stave off more resignations from the party, especially outside the larger cities.

We should not lose sight of the fact that if at the PRD's birth there were many well intentioned people, there were also some career people and the politically unemployed. Like it or not the party's current leader, Herminio Martinho, is among these.

It is also good to remember that the PRD did not emerge from the "spirit" of the former CNARPE but from its organization. This makes some difference.

Because it emerged from the CNARPE organization, the party had to first deal with the lack of cadres and later it had to especially deal with a large number of small "parties" and small and big interests that pulled it to the left at one point and to the right at another entangling it in a web of compromises and complicities that are now becoming almost explosive.

The solution (or internal pacification) is naturally Ramalho Eanes. It is not known whether or not his assumption of office after October will be in time to dampen an otherwise heated situation.

Strategy More Than Leadership is Important

Now, it is action much more than leadership that concerns PRD officials. The Porto convention will in effect be more important in terms of establishing a clear strategy than because it marks Eanes' formal membership in the party.

In reality, the renewalists face two fundamental questions. The first is to overcome the bipolarization that, in essence, is occurring on the Portuguese political horizon with the PSD on one side and the PS on the other. The second question, which is closely associated with the first, has to do with the more immediate problem of avoiding early elections at all costs.

As for the bipolarization question, which logically implies a reduction in the number of votes the PRD may get, one of two things can happen: either it is "peacefully" accepted, as some sections of the party argue (once consumed and digested the party could reap the dividends it could earn by simply being stuck between two larger Portuguese political forces; or the PRD will try not to lose ground (the idea that Eanes apparently subscribes to because he has already publicly spoken out against bipolarization) or lose little ground so that it can speak with the PSD and the PS as an equal.

Timing is essential here. A crisis leading to early elections would not really play in Eanes' favor. He must first clean house and size up Cavaco Silva and Vitor Constancio before elections are held.

For the bipolarization question not to become reality, it is in the PRD's interest to avoid elections. This is the reason that Herminio Martinho declared in an energetic response to the PSD and Cavaco Silva, "defense of the necessary political stability and the fact that Portugal cannot be constantly holding elections argues in favor of other solutions that the present parliamentary makeup clearly permits."

Martinho's statement contained a clear message of a closer association with the PS (difficult under all situations and apparently of interest to the socialits) and it served as a warning to the governing party as well as an obvious demonstration of the renewalists' lack of interest in new elections.

Struggle for Survival Until the End of the Year

The party's fundamental goal from now until the end of the year, as several PRD leaders underscored to DIARIO DE NOTICIAS, is to struggle to survive.

There were even those who admitted that it would be better to have elections now and from the resulting loss in the number of votes, it would be possible to organize, establish solid bases, purge the PRD of some "foreign bodies" that are benefiting from its organizational difficulties, and really go ahead and establish a clear strategic direction.

In essence, Eanes needs an organized party. We are told that his goal is not to return to Belem (the possibility of a candidacy in 1990/91 is put forth as being very remote). They assure us that his goal is to lead the government of the Republic. The Italian example of party fragmentation and the power that the small parties have as a result is indicated among many renewalist circles as a supposition and a possible solution for Portugal.

9935

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POLITICAL

PORTUGAL

## DEFENSE MINISTER'S ROLE PRAISED DESPITE DIFFICULTIES

Lisbon TEMPO in Portuguese 1 Aug 86 p 11

[Article by Ribeiro Ferreira]

[Text] Minister of Defense Leonardo Ribeiro de Almeida may shortly ask the Superior National Defense Council to draw up a public version of the strategic military principles. The defense minister made this promise at a breakfast meeting with journalists organized by the Meridien Hotel. The dominant subject of the meeting was the recent armed forces' equipment purchases that parliament approved.

Portugal must be the only country where strategic military principles outlining external threats to national security are considered entirely secret. Current practice, even in NaTO countries, is to have two versions: a secret version and an unclassified public version of these principles. This is the only way that governments can justify to their people the high defense expenditures and defend having a modern and operational armed forces. In Portugal, on the other hand, we use and abuse secrecy. More often than not it serves to hide insufficiencies and incompetence.

As a matter of fact, regulations on military planning are drawn up based on strategic military principles. These regulations include the programs to upgrade equipment and infrastructures during 5-year periods.

However, until now neither the strategic military principles have been made public nor have military planning regulations been prepared.

Leonardo Ribeiro de Almeida assured us, however, that they will be presented to parliament in October when the 1987 state budget debate takes place.

As a result, the purchase of frigates and airplanes valued at 170 million contos (part of a 5-year plan) without prior parliamentary approval will never happen again. Any purchase of materiel (gifts from friendly countries are excluded) will have to go through the military planning regulations process.

Leonardo Ribeiro de Almeida, an esteemed member of the PSD and the regime that evolved from 25 April 1974, is playing a difficult and thankless role as national defense minister. As the popular saying goes, in a home where there

is no bread, everyone squawks without reason. Given his customary good nature, the minister understands the complaints of military chiefs concerning the lack of funds and the attacks some people normally make against the armed forces. Curiously, the PSD is one of the parties that attacks the military the most.

Meanwhile, Ribeiro de Almeida is trying to calm the situation. That is what he tried to do at the breakfast meeting with journalists. The minister knows deep down that it is not easy to head the Defense Ministry and that, despite everything, Cavaco Silva should thank him for accepting the position.

The minister's difficulties in recalling certain matters are well known. At a certain point in Tuesday morning's conversation, the subject of the MEKO class frigates as well as the fact that they had never been tested (it is a completely new project) arose.

Ribeiro de Almeida referred to the tough negotiations the ministry had with the Germans and to the excellent concessions Portugal obtained. However, he forgot to mention that the deal is of extreme interest to the FRG because NATO has practically concluded its plans to acquire frigates for the 1990's. These will be very similar to our new MEKO 200. As a matter of fact, this was the reason that the German shipbuilders changed the initial project specifications and increased the length of the frigates by 7 meters, the width by a few centimeters and the displacement by about 300 tons.

That is, the MEKO 200 class frigates of the Portuguese Navy may be the prototypes of NATO frigates in the 1990's. The MEKO will be 115.9 meters long, 13.8 meters wide, displace 3180 tons. They will have a maximum speed of 31.5 knots, 20 knots cruising speed and a range of 4,000 miles (at 18 knots). Perhaps for the first time in history, Portugal will have three ships that will be examined with a magnifying glass by the greatest world specialists in military hardware. If the frigates pass the test, the German shipbuilders may then make one of the biggest deals of their existence and they will consider the millions of marks spent in the concessions they granted Portugal as a good investment.

9935/12859 CSO: 3542/139 SOCIAL

FEDERAL REPUBLIC OF GERMANY

BONN STUDIES VIOLENCE, PLANS RESPONSE

Frankfurt FRANKFURTER ALLGEMEINE ZEITUNG in German 30 Jul 86 p 4

[Article by hls: "Bonn Concerned Over Growing Solidarity With Perpetrators of Violence"]

[Text] Bonn, 29 Jul--How to deal with the growing violence in demonstrations, and with its justification - this question, which (in the light of the excesses at Wackersdorf and Brokdorf) concerns others beyond merely those immediately involved, is to be investigated by a working group set up by the federal government under the leadership of the chief of the chancellery, Schaeuble. It includes representatives of the Interior Ministry, the Justice Ministry and the Federal Press Office. The working group was established on 18 June. It submitted its first report to the cabinet in mid-July.

According to the report, a number of acts committed under cover of demonstrators have given evidence of a high degree of criminal drive. Very serious injuries and possibly the death of policemen have been involved. This violence breaks out at every point suitable for it. It was of concern that the hitherto despised perpetrators of violence have, against the background of Chernobyl, now achieved a degree of solidarity with peacefully demonstrating opponents of atomic energy. The number of perpetrators of violence is constantly rising. Presently, two to three thousand of them travel to particular events from the entire Federal Republic. Their operations are being planned on a national level and are under a firm control.

Operations are as simultaneous as possible in order to split up police resources. Disguises and covered license plates afford protection against recognition. To recognize plain-clothes police, they scan strangers for weapons and radios. Their attacks begin upon previously arranged cues. Weaker police units are often brutally attacked, stronger ones are avoided. Children, women and the handicapped often serve as protective shields. After acts of violence, they merge into the crowd, change their clothes, throw their disguises and weapons away, and most recently—in contrast to what has happened at earlier demonstrations—are in fact not being prevented from doing this by otherwise peaceable demonstrators.

Since maintenance of internal peace and public order during demonstrations are in the first instance tasks of the federal states, the Federal Government sees its role as "co-responsibility." It wants to support the states more

intensively with the Federal Border Guard, as the federation's police force. This service is therefore to be reinforced by a thousand officers, with a new operational unit in the Frankfurt-Karlsruhe area. Three additional helicopters (Pumas) are to make air transport more mobile. Antiquated water cannons are being replaced by type 9000's. Budgetary resources for 27 units are available through 1990. Negotiations for further budgetary resources will begin in 1988. In the fiscal years 1987-1990, some DM50 million are being provided annually for the procurement of more modern equipment for preservation of evidence and documentation, for care of the injured, for communications and for ABC protection. The Federal Ministry of the Interior is endeavoring to strengthen the "breach of the peace" reporting service. Reporting by the state-security reporting service and the data from the Office for the Protection of the Constitution should be improved quantitatively and qualitatively. The lines of march to demonstrations are to be more closely monitored with the use of these reports, an activity in which, in addition to identity checks, "preventive custody" for the prevention of criminal acts is of significance.

The Federal Government is not content with mere planning for the improvement of police work. It is also trying to take account of psychological effects. and wants to counteract the progressive solidarization of peaceful demonstrators with perpetrators of violence. To this end, seminars are to be arranged at the police leadership academy with operational commanders, police psychologists and police press spokesmen. Officers of the squad for the preservation of evidence and documentation should be trained professionally," and their equipment should be technically improved. In its publicity efforts, the Federal Press Office is to advocate non-violence and the repudiation of the perpetrators of violence. In line with experience gained in educational efforts on energy conservation, there is hope of success. Included also are the facilitation of talks between police and journalists and intensified communication with "opinion leaders" among the peaceful opponents of atomic energy. The government wants to promote communication with representatives of the churches, of the church associations and of the youth associations. "The great importance of the state monopoly on violence and the dangers in solidarity with perpetrators of violence are to be made known to the public with emphasis. Confidence within the police force and in the police force must be strengthened by making clear that it is not an instrument of state aggression but an instrument for preserving the rule of law that serves the individual."

Since the coalition, primarily CSU and FDP, cannot reach agreement on all the legislative plans, this working group of the Federal Government has merely "extensively and intensively" discussed changes in the weapons laws, the penal code and the code of criminal procedure.

13070/12913 CSO: 3620/779 SOCIAL

NATIONAL CHARACTER TRAITS SEEN AFFECTING COUNTRY'S FUTURE

Athens TO VIMA in Greek 24 Aug 86 p 15

[Article by Nikos Dimou: "Resistance"]

[Excerpts] The tall, athletic stranger from the next table came discreetly up to me to ask if I spoke his language: "Then," he continued, "would you be kind enough to find out from the gentleman who is serving us, if he understood my order and if yes, why am I waiting three quarters of an hour?"

The expression "the gentleman who is serving" was surely a euphemism. He was rather a hirsute bear in disguise, with a dirty apron tied around his waist. "So what does he want?" was the reply of the bear. "It's not enough that we are running around trying to serve him?"

But the bear was not intimidated. He continued unwaveringly his "resistance" to the foreign conqueror-letting him wait another 15 minutes.

Not that we fared any better. In our case, the "resistance" was against the "clever Athenians." Each dish was won at great cost and with self-service. Until one of us went into the inner recesses and happened to see how the dishes were washed. He returned very pale and ate no more.

Greece is "resisting." Each village is conducting its own proud foreign policy, vis-a-vis the foreigners, the urban Greeks, and even fellow villagers. The weapons are unkindness, dirt, awful food, garbage (mountains at roadsides), dust, noise--what with the discos and the motorbikes--and shameful restrooms.

Terrible weapons, that are able to turn away the most fanatical lovers of the Greek environment! And they do! Only the young with steel intestines and their backpacks are able to withstand Greek behavior. The others are leaving, giving a bad reputation to Greece in every direction.

And we want to develop "high class" tourism!

As in many other things, we are going BACKWARD! Thirty years ago, the Xenia hotels had politeness and were fun. Twenty years ago, one could still find shopkeepers who would water the front of their stores to get rid of the dust, and there were policemen who forbade noise. Ten years ago, one could find something good to eat (we never had "haute cuisine") and clean restrooms.

Now there is unaccountability and chaos. Greece was never so dirty, so disorganized, so little hospitality as this year, when it desperately needs to make a good impression. Comparison with competitive neighboring countries is crushing. People there smile and "give" (before taking...). We swear and only take (but soon nobody will give us any more...).

Who do Greeks believe it is beneath their dignity to serve someone? Why do all Greek waiters have inferiority complexes? Why do Italians, for example, serve with a smile? Are they born servile, while we remember Leonidas with every shish kebab?

Well, all right, let us say we do not want the foreigners. (Should we lose the chauvinism and suspiciousness that the powers-that-be have been teaching us in recent years? We are full of spies!!) All right--"resistance" vis-a-vis the foreigners. How about among us, can we not behave like human beings? What climate of misanthropy and ill behavior reigns supreme in our interrelationships?

I have not enjoyed polite (not servile) behavior in this country for years. So, every time I travel abroad, I am surprised when they greet me in stores, I get suspicious when young women at bank windows smile at me, I am confused when some important personality spends hours dealing with some insignificant problem I bring to him. Of course there are ill-behaved and impolite people, but politeness, dignity, cleanliness and organization are the rule.

Yes, someone will use the classic argument: the foreigners' politeness is false.

We Greeks are sincere and spontaneous.

I am not so sure. Spontaneity is not always a quality. Personally, I prefer politeness (even if false) to spontaneous rudeness.

Moreover, are not our Mediterranean neighbors and competitors spontaneous? Nevertheless, as time goes by, their life is becoming more harmonious, and their countries richer. (The economy's future lies in the third sector—the service sector!) As for us, obstinate, complicated, unsmiling, little given to service, we are constantly "resisting." We are "resisting" our future.

/8309

CSO: 3521/255

ECONOMIC

GROWING CONCERN OVER EXCEEDING CREDIT LIMIT IN USSR TRADE

Paper Urges Government Action

Helsinki HELSINGIN SANOMAT in Finnish 6 Aug 86 p 2

[Editorial: "Few Results From Much Work"]

[Text] Finnish and Soviet trade has exceeded the 2.2-billion markka credit limit. Finland's accounts receivable will be approximately 5 billion markkaa by the end of the year at the present rate of development. In the opinion of Foreign Trade Minister Jermu Laine, the situation must not be allowed to reach this point. He urges that all available means to balance trade be given immediate consideration in order to prevent this. Otherwise, it is possible that next year's exports to the USSR will have to be curtailed by as much as one-third, he predicted.

Without a doubt, there are problems in balancing Finnish and Soviet trade, but the Soviet side has continuously placed emphasis on keeping trade at a high level. Prime Minister Kalevi Sorsa, the chairman of the Finnish side of the joint economic commission, has also warned against overreacting in evaluating trade development. However, one should not be too naive in underestimating the problems and neglecting efforts to increase imports from the USSR to Finland.

The foreign trade minister, in particular, has opportunities to do something other than just present sanctimonious appeals. A general agreement for the years 1987--1990 supplementing the additional import schedule, whose practical application still remains open for the most part, was signed in connection with Soviet Foreign Trade Minister Boris Aristov's visit in June.

In addition, there is no practical evidence of the fact that by its actions the state has improved the balance of trade between Finland and the USSR. Economic cooperation between the two countries and the conditions of trade conducted in both directions are clearly in need of measures to be taken at a high level by the Finnish Government.

The drop in the price of oil, as temporary as it may be, must not result in a situation in which trade and other economic cooperation with the USSR, which have developed on a long-term and stable basis, is depicted in excessively

gloomy colors. This could result in the fact that Finnish firms will reduce their efforts to procure cooperative projects that are important to us from across the border. The opportunities to obtain them have not at all diminished. To the contrary, cooperation can be expanded and deepened. Proposals for the establishment of mixed companies, among other things, represent new Soviet initiatives aimed at this.

Finns are excessively inclined to think for the Soviet side also when it is a question of their purchases from here. They will, however, resolve these questions themselves. Finland's balance receivable has been large even before and an interest-bearing account has been used to manage it. This issue and other adjustments to the imbalance in trade can, indeed, be freely discussed with the Soviet side without raising an unnecessary fuss over it here.

Opportunities In Joint Projects

Helsinki HELSINGIN SANOMAT in Finnish 10 Aug 86 p 2

[Editorial: "New Prospects in Trade with East"]

[Text] The present problems in trade between Finland and the USSR result from the fact that the price of crude oil has dropped in accordance with the world markets and our export opportunities are being threatened with a reduction unless additional imports from the USSR can be found in sufficient amounts. As the results of Soviet Foreign Trade Minister Boris Aristov's visit in June demonstrated, considerable efforts have been made this year to correct the situation.

However, additional action is needed. Soviet Ambassador V. M. Sobolev also recently addressed the issue in a speech delivered in Imatra. According to him, the seeking of new forms and areas of cooperation is becoming increasingly important. "In accomplishing this it is also important to increase new partners—small and medium-size firms, for example. We would be satisfied with a greater activism on the part of Finnish business representatives in this direction," said Sobolev.

The ambassador's declaration of his position does not at all appear to be new, he has many times previously expressed in public the hope of increasing activism from Finnish businessmen. This most recent speech, however, raises an interesting question: what does Sobolev mean by new forms of cooperation which would be favorable for small and medium-size enterprises?

The old and tried forms of trade with the East have been short—and long-term deliveries of goods as well as project transactions. Progress may, perhaps, also be achieved in the area of border trade, which has remained rather small and which, according to Foreign Trade Minister Jermu Laine, is especially suitable for enterprises in small and medium—size industry.

The possible establishment of mixed companies has been in the forefront of the discussions on completely new forms of cooperation even though the implementation of such a system will still require reforms in Soviet legislation and in

the currency system. However, it may be that this very question of mixed companies was on Ambassador Sobolev's mind when he referred to new forms of cooperation.

In the Western world there has been great interest in whether capital in the market economy countries will be offered an opportunity to be included in production occurring within the borders of the USSR. The West could offer well-trained personnel, new technology, and a leadership skill in the methods of a market economy. The Soviet Union, for its part, has an abundance of raw materials, energy, and domestic markets capable of consuming many products.

The timeliness of the issue was also confirmed by party leader Mikhail Gorbachev in a speech delivered recently in Vladivostok, in which he said that economic cooperation is a subject of mutual interest for Japan and the Soviet Union. "It is primarily a question of our mutual border areas, in which there are commercial ties with Japanese firms from before already. In the future the question of creating joint companies in the border areas of the Soviet Union and Japan and in areas in their vicinity could be brought up for consideration," said Gorbachev.

It would be very good if Finland were to succeed in leading the way in the area of joint companies since our country is well known as a partner in economic cooperation with the Soviet Union. If progress in this matter is made by experimentation and small starts, the role of initiator would be particularly well suited for our country's small and medium-size industry.

Our small and medium-size industrial enterprises have not to date had the expertise and capacity that is needed in the preparation and management of trade with the East; trade with the East is heavily concentrated in the hands of big industry. The shortage of capital normally suffered by small and medium-size firms would facilitate inclusion in mixed companies in which a firm would not have to invest more than half of the necessary capital.

Finland has accomplished many large-scale projects on Soviet territory. The experiences demonstrate that projects relatively close to the Finnish border do the best. There is reason to emphasize this regional approach if Finnish firms are to become involved in mixed companies operating on Soviet territory. Gorbachev's concept of the location of Soviet-Japanese projects was also exactly the same.

This possible new form of productive activity will also, of course, need good communication links with the outside world: railroads, highways, and ports. From the Finnish point of view the area between Finland's eastern border and the Saima Canal would be especially suitable for joint companies.

The activism of firms in Southeast Finland could be tied in with those objectives which Soviet economic planners have established for themselves. It would be of great benefit for these projects if the movement of people, the transfer of money, and other practical matters in the selected area were subjected to considerably less bureaucratic red tape than at the present time. When two parties consider mutual cooperation, each party will, naturally, exercise independent discretion. The primary emphasis in initiative, on the other hand, must be placed on the side of the smaller party. It is gratifying that the first concrete idea on a mixed form of corporate activity was presented to the Soviets by the Finns. It is worthwhile for small and medium-size firms, in particular, to actively observe what new opportunities will be opened up by economic reforms in the USSR.

[Caption to map: The area between Finland's Eastern border and the Saima Canal appears to be favorable if mixed Finnish-Soviet companies are to operate on Soviet territory. The ports of Kotka, Hamina, and Viipura are nearby.

## Soviet Official Makes Proposals

Helsinki HELSINGIN SANOMAT in Finnish 15 Aug 86 p 33

[Article: "USSR Hoping for More Buyers in Finnish Trade Delegations, Soviet Products Presented at Tampere Trade Fair"]

[Text] Tampere--Finland's prerequisites for increasing imports from the USSR became the central topic of discussion at the Soviet Trade Seminar in Tampere on Thursday.

According to Chairman E. P. Pitovranov of the Soviet Chamber of Commerce and Industry, the present serious imbalance has decisively affected the fact that the Soviet Union decided to deviate from its plans and field an extensive exhibit at the Tampere Trade Fair.

Pitovranov thinks that there are still many unexploited opportunities for balancing trade between the countries. He hoped to see an expansion of regional ties as well as an increase in trade delegations. "There is now reason for Finland to increase the number of buyers along with exporters in its trade delegations," he noted.

"The symposiums between the countries so far have generally been directed at increasing Finnish exports; only a few have given serious consideration to increasing purchases from the Soviet Union."

Pitovranov gave the assurance that all possibilities for correcting the imbalance are being thoroughly examined in the Soviet Union from area to area. "Both countries are of the same opinion that the imbalance will not be corrected by reducing Finland's exports to the Soviet Union," he said.

According to Pitovranov, the regional expansion of border trade is currently being studied in the Soviet Union. As the most tangible means of eliminating Finland's purchasing deficit he listed, among other things, a perceptible increase in imports of machinery and equipment, for example, aircraft equipment, the development of cooperation in production as well as the more active participation of the Soviets in the construction of energy management, industrial, and communication facilities in Finland. Also Finland could use Soviet subcontractors for jobs in third-party countries.

"Consideration could also be given to the construction in the Soviet Union of such plants which would produce products that are in demand in Finland. The resources of the two countries could also be combined in the manufacture of products intended for export," stated Pitovranov.

#### A Separate Account Possible

Soviet Trade Representative in Finland V. D. Pugin thought that there are also reserves for increasing import trade among the Finnish firms exporting goods to the Soviet Union. "We studied 200 Finnish export firms and confirmed that 160 of them do not import anything from the Soviet Union if energy and oil are not taken into account," said Pugin.

According to Pugin, an attempt will be made to manage the overstepping of the technical credit limit primarily by increasing Finland's imports from the Soviet Union. A balance will not be achieved at least within the current year. For example, only one-fourth of the additional 200-million markka import amount agreed upon for this year has been accomplished so far. To date the Soviet Union has concluded transactions with Finland worth 30 million markkaa at the Tampere Trade Fair.

Pugin considered it possible that the overstepping of the credit limit could be taken care of with a separate account. Negotiations on this will be conducted in September. On the other hand, balancing by means of currencies will not be considered according to Pugin.

Laine Proposed An Industrial Commission

Foreign Trade Minister Jermu Laine proposed at the Soviet Trade Seminar that Finnish industry could establish its own industrial commission for trade with the East in accordance with the example set by West German industry.

Laine reprimanded the Finns for the thinking that trade with the East is like riding on a streetcar: when trade with the West is unfavorable, ride for a couple stops with trade with the East and then jump on the track going West again. Laine also corrected the erroneous concept that the volume of trade and scientific-technical cooperation is somehow more important for the East than the West. "The average share of East-West trade in the overall trade of socialist countries is somewhat larger than that of the market economy countries, but this does not say anything about the benefit which the countries concerned have to gain from this trade," stated Laine. He hoped that along with commercial policy questions new dimensions which the efforts of the socialist countries to modernize their industry and make production more efficient will offer to the West will also be examined at the follow-up meeting of the CSCE to begin in Vienna in November.

## Quicker Soviet Decision Making Urged

Helsinki HELSINGIN SANOMAT in Finnish 16 Aug 86 p 27

[Article by Kustaa Hulkko: "Jermu Laine Urges Soviet Contract Decisions"]

[Text] Foreign Trade Minister Jermu Laine is urging the Soviets to make quicker decisions on construction projects being offered by the Finns. Laine spoke on Friday at the cornerstone laying ceremonies of the Kamenogorsk Toilet Paper Plant in the Soviet Union. The plant is located in the center of old Antrea.

Jermu Laine pointed out that several offers submitted to the Soviet Union have already undergone rather lengthy negotiations. He mentioned the Arda Viscose Cellulose Plant, the Yenisei Forest Products Combine, and the Kola Peninsula plan. Laine also hoped that there would be additional work at the Kostamus Mining Concentration Plant project completed last year.

## Unnecessary Competition

Laine also brought up the fact that the management of certain export construction firms has criticized the Soviets: that the Soviet Union excessively plays one Finnish contractor against the other in the competitive bidding process.

The Soviet Union, for its part, has referred to the fact that Finnish constructors practice overpricing and cartel type operations.

Laine noted that the 160-million ruble construction project quota agreed upon for 1986 will apparently not be met completely. He said that Finnish contractors have submitted bids valued at three times the amount of the 1.2-billion ruble quota for the duration of the general agreement for 1986-90.

The Finnish and Soviet Economic Commission should increase the consolidation of bids in Laine's opinion.

Soviet Share To Be Increased

"The economic commission should also discuss means by which the Soviet share could be increased in Finnish projects," said Laine.

Nearly 40 joint projects for markets in third-party countries are currently being studied by Finland and the Soviet Union.

Vorontsov and Nigolski Accepted Cornerstone

Deputy Foreign Trade Minister V. I. Vorontsov and First Deputy Minister of the Forest Industry L. G. Nigolski accepted the cornerstone laid for the Kamenogorsk Toilet Paper Plant. The construction association comprised of Keskus-Sato and Rakennus-Penttila will build the plant with an automated product warehouse out of Finnish materials on a turn-key basis.

The value of the contract is approximately 100 million markkaa.

The plant will be right next to Antrea's old sugar plant. Offset-paper is now being manufactured in the facilities of the old sugar plant. Production from the toilet paper plant will be a part of the Svetogorsk Forest Industry Combine.

Work will begin in January 1986 and will be completed in October 1987.

The project will be Sato-Penttila's fourth project in the Soviet Union.

The size of the plant will be 183,000 cubic meters and 20,000 square meters.

Initially, production will amount to 123 million rolls of toilet paper annually.

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CSO: 3617/157

ECONOMIC

SURVEY SHOWS MORE OPTIMISM C | ECONOMY

The Hague ANP NEWS BULLETIN in English 3 Sep 86 p 1

[Text] Rijswijk, September--Dutch views on the economy have undergone a major turnaround since hitting a trough of pessimism in 1980, the government's social and cultural planning agency said in a report today.

In 1980 eighty-eight per cent of the Dutch population foresaw an economic crisis, while this year only 25 per cent thought the economic situation would deteriorate while 75 per cent thought living standards would be maintained, the government advisory body said.

The rise in optimism was coupled with a rise in expectation, the agency said. The number of Dutch people who felt they had a right to at least retain the same spending power rose from 43 to 76 per cent between 1983 and 1986.

The report is the seventh in a series produced every two years on developments in health care, social services, employment, social security, housing, education, leisure, the media, culture and justice.

The agency said the importance the Dutch attach to individual incomes had not fallen since 1975, and that ideas on the need to reduce incomes differentials had become less extreme in this period.

#### Leisure Time

People now are less critical of the unemployed than five years ago, and the position of the unemployed themselves improved in some respects between 1974 and 1983, the report said.

The jobless had a better standard of housing in 1983, and a higher percentage owned cars, but their chances of taking holidays had fallen.

The net difference in income between the employed and unemployed remained unchanged between 1977 and 1981. The sharp rise in unemployment did mean that larger groups of unemployed people remained out of work for longer periods, and in general had a lower standard of living and worse health than the employed, the report said. The will to work remained high, it added.

Dutch leisure patterns had been barely affected by the recession, but there were some interesting developments in the past ten years, including a more equal distribution of work and leisure activities between men and women, the report said.

The time spent on paid work fell among men and rose among women, while time spent on household duties rose among men and fell among women.

Between 1980 and 1985 the number of windsurfers owned by Dutch people doubled while there was a five-fold increase in video recorders.

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CSO: 3600/37

ECONOMIC

#### AGRICULTURAL AGREEMENT WITH PRC SIGNED

The Hague ANP NEWS BULLETIN in English 26 Aug 86 p 1

[Text] The Hague, August 25--The Netherlands and China today signed a memorandum of understanding on future cooperation in agriculture and a phytosanitary accord aimed at preventing plant disease in the products they trade, Dutch Agriculture Minister Gerrit Braks said.

Negotiations on a Sino-Dutch veterinary accord for pigs are almost complete, the minister added.

The memorandum was signed for the Netherlands by Braks, and for the People's Republic by his Chinese counterpart He Kang, who arrived in the Netherlands on August 18 for a visit at Braks' invitation.

The phytosanitary accord was signed by both ministers, as well as by Dutch Foreign Minister Hans van den Broek, who also held talks with He Kang during his stay.

Braks, who visited China in 1980, said he had been invited to return in 1987.

He declined to speculate on the amount of trade which might result from the closer agricultural cooperation envisaged, but said China was primarily interested in Dutch animal and vegetable stocks for agricultural development.

The Chinese minister said his country was also interested in equipment to process and preserve agricultural products. He mentioned abbattoir machinery produced by the Stork engineering company and said negotiations were underway with the Anglo-Dutch Unilever concern on margarine production machinery.

The agricultural balance of trade between the two countries is in China's favour, which Braks said presented good opportunities to expand trade. He Kang said China was keen to export tea, cotton, citrus fruits and cattle fodder.

Braks said he voiced concern over a Chinese ban on imports of Dutch live animals and animal products, imposed after an outbreak of African swine fever in the Netherlands earlier this year.

The Dutch minister welcomed He Kang's promise that the ban on poultry imports would be lifted on October 1 this year, and asked for the other import restrictions to be lifted as soon as possible.

He said the Netherlands was planning to issue invitations to sectoral and provincial delegations from China and to participate in various technical and business seminars in the People's Republic.

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CSO: 3600/37

PORTUGAL

#### ECONOMIC SITUATION VIEWED WITH OPTIMISM

Lisbon DIARIO DE NOTICIAS in Portuguese 14 Aug 86 p 5

[Article by Jacinto Nunes]

[Excerpts] Now that the academic year has ended and August (the vacation month par excellence) has begun, we can draw a short panoramic view of the Portuguese economy.

Employment has leveled off and there is no hope that it will change significantly in the near term. Even if current conditions permit an increase in the rate of growth, the unemployed will always be slow to be absorbed into the economy. It so happens that it has been consumption and not increased investment that has until now contributed to economic growth.

The behavior of investors has not been satisfactory and the explanations for this fly: interest rates should have already decreased long ago; also, a minority government does not inspire enough confidence among investors for them to undertake significant projects.

Without taking sides in this debate, it occurs to me to ask if during the past few years, when there was political stability even with majority governments, these governments conveyed enough confidence that translated into significant investments: It is a minority government but, according to the polls, it enjoys a significant degree of confidence. This is especially true of its leader.

I see few people refer to dynamic centers of investment. I only see one or two references to the disappearance of private groups. The public sector is swallowing some of the white elephants that had been created while others have practically finished the large investment projects they had underway. The compromise for iron and steel was reached. In the case of Alqueva the process (after so many years) is still not clear, at least to some.

Private groups have appeared, of course, but mainly in the financial sector. Few groups have appeared in industry.

Leaving this question aside, which, as we said, is outside the scope of the much simpler subject matter we proposed to discuss, we cannot help but note a factor that may explain in part the reason investors have not reacted to the overall economic improvement.

We are referring to the large amounts of unused capacity that exists in the Portuguese economy and the large debts many firms have.

Until now, some firms were putting the unused production capacity to work while others were trying to reduce their debt by paying off their loans.

Let us also look at what is happening in the construction industry. This industry usually complains (with apparent reason) that the economic rebound has not begun. Now, we all know that credit for home buying has increased significantly and, as a matter of fact, house closings are being processed at a good rate. We have information from the EPUL and from several builders that confirms this and we know that the search for new land to develop and the preparation of such land has begun. The construction industry is also aware of this. We can thus expect that there will be a rebound in construction during the beginning of the fourth quarter when a good part of the available housing stock is sold. The rebound in housing will drag along with it many other sectors because of the great amount of interdependence between these other sectors and the building industry.

Let us now look at the balance of payments. We have gone from a deficit estimated at \$700 million to a positive balance that is higher than the estimated deficit. The continuing fall in oil prices and raw materials, the fall in interest rates, the drop in the exchange value of the dollar and the lack of investment at the expected rate have led to an easing in our foreign accounts. We had not had growth rates this high and a positive current account balance in a long time. We should take advantage of this positive but not entirely foreseen fact (some forecasters were more optimistic than the government). We cannot expect that oil and raw materials will continue to decrease in price for much longer or even that they will go down in price at the same rate as they have been doing.

As for the budget, it was forecast that it would initially decrease by 1.5 percent in comparison with the GDP (from 13.3 percent to 11.8 percent).

As the state's finances become public, particularly its income, we feel that the deficit will be even lower even if the government does not adopt a policy to cut expenditures. On the contrary, a 40 percent increase in total expenditures was initially forecast with an even larger increase in investment related expenditures.

We could say that the deficits continue to remain high and that they should be reduced to help fight inflation (although the central bank has stopped financing almost all of the deficit). However, the situation seems under control and susceptible to significant changes in the next budget.

In order to complete our picture, there is inflation. The government forecast 14 percent inflation; it should not surpass 12 percent. Once again, we are simply reporting the fact without entering into the polemics of who deserves the credit: the government or outside factors.

We note the difference with much more satisfaction since it certainly allowed the Permanent Social Settlements Council to decree that nominal wages should be based on the expected inflation rate (as well as productivity gains and a firm's competitiveness). It acknowledged that the government's goals for 1987 will be to have an 8 to 9 percent inflation rate and a 4 to 6 percent rate in 1988. We feel this is very important and we are astonished that only one commentator (at least to our knowledge), Fernando Ulrich in EXPRESSO, has given it its due emphasis.

It can also be said that the government failed in its forecast and that confidence results from a confirmation of expectations. However, given the direction the change took, I believe that the fact inflation decreased more than expected in no way affects the government's credibility. Of course, it can be the cause of a greater increase in real wages, therefore, moderation should be advised in current or future collective contract negotiations. We feel that even with the influence increased real wages have on investment there is enough lag between the cause and the effect that other factors will exist to favor increased investment.

To us, the government's credibility would seriously be affected if it took measures, now that there are indications that inflation will decrease more than expected, to bring inflation back up to the initially forecast level (e.g. through a greater devaluation in the escudo). I believe that no politician would accept this idea. Also, unemployment will not seriously worsen with an additional 2 percent decrease in the inflation rate. We understand and respect the rigidness of the theory but we annot forget the demands of everyday life.

The final view in this picture is the problem of the structural changes, an area where the government has had the most difficulties. The government must keep in mind that it is a minority government in the same way that parliament must keep in mind what proposal will benefit the nation. Proposals should not be overturned simply because we have a minority government. The proposal to make the labor laws more flexible, for example, is the reason for the second part of our observation. This proposal had already been agreed to by the central bloc government.

However, we believe something is being done in the public sector firms. The Petroquimica closure, despite the social costs, was correct because the social costs were higher when it was in operation and they were going to rise even more in the future.

It is undoubtedly in the measures to affect structural change that the relatively optimistic picture we drew this August 1986 of the Portuguese family becomes gloomy.

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CSO: 3542/143

ECONOMIC

# ECONOMY MINISTRY SETS EMPLOYMENT POLICY FOR 1987

Madrid EL PAIS in Spanish 10 Aug 86 p 33

[Article by G.M.]

[Text] Santander--Controlling wages through differentiated ranges for each industry and even for each type of firm, linking the basic interconfederal agreement with those two levels, and reducing the social security contribution rates paid by employers were the priorities emphasized most strongly by Antonio Garcia de Blas, general director of economic policy in the Ministry of Economy and Finance, in connection with a future employment policy.

Expressing his personal opinion—he is one of Spain's top experts on the labor market—Garcia de Blas emphasized that a recent OECD report sets forth the close relationship between labor costs and employment (for every drop of 1 percentage point in real wages, employment rises by between 0.2 and 0.5 percent) and recommends that the member countries apply the benefits of lower oil prices and a cheaper dollar to reducing employers' contributions to social security.

To offset that new cost to the government, he proposed eliminating the maximum amounts taxable for social security purposes and bringing new groups into the social security system before resorting to an increase in government transfers that would affect the public deficit.

After including in that group of high priorities a tie-in between productivity and wages and a coordination of tax rates and tax withholding with employment policy, he defended the need to make the interoccupational minimum wage and overtime more flexible, introduce new hiring procedures, reorganize unemployment benefits along the same lines as those adopted in France and the FRG (both countries reduce the unemployment benefit for as long as the economic effect of one's severance pay lasts), extend the periods of compulsory training, eliminate restrictions on mobility, and reward worker skills through the distribution of wage increases in each firm or industry with no repetition in any case of across-the-board increases.

He put aside a reduction in working hours as something to be achieved in the medium or long term because in his opinion, shorter working hours generate

employment only if they are accompanied by a reduction in real wages. He announced that according to a survey by the Ministry of Economy and Finance, only one-fifth of the firms surveyed had hired new people to make up for the shorter workday established by law in 1984.

In response to that stand, Luis Toharia, professor of basic economics, stated that there is not necessarily a correlation between a reduction in real wages and increased employment, except through the long-term connection that exists between an increase in a firm's surplus earnings, subsequent investment, and then employment.

11798

CSO: 3548/78

ECONOMIC

GOVERNMENT PLANS FOR 4 PERCENT RISE IN PENSIONS, PAY FOR 1987

Madrid EL PAIS in Spanish 10 Aug 86 p 33

[Article by Gustavo Matias]

[Text] Santander—The government is aiming at an average rise of 4 percent in salaries and pensions next year, a percentage it would also like to adopt in its inflation forecasts, according to impressions received from the government employees and high officials who passed through the Menendez Pelayo International University in Santander this week. In the opinion of the minister of economy and finance, both objectives will be compatible with the maintenance of purchasing power and the acceleration of private consumption, even though employment is not likely to increase during 1987 by the 150,000 jobs forecast for 1986 (1.5 percent of the employed population).

The objectives for the three chief magnitudes determining the distribution of income each year--salaries and pensions, prices, and employment--will be definitely established by the government next month, when the general state budgets for 1987 are finalized. Regardless of whether agreement is reached in the talks on social coordination, the sources we consulted said that the cabinet is prepared to reaffirm as its objective the 4-percent inflation rate that was indicated a few weeks ago by the Ministry of Economy and Finance and also to keep government salaries and social security pensions in line with that figure. Doing so will provide a guideline for the private sector.

It will mean reducing nominal increases in incomes by half in a single year. Consumer prices are still rising at an annual rate of 8.9 percent, while the average increase agreed upon in the 1,651 wage agreements signed during the first half of this year and covering over 3 million workers was 8.2 percentat the top of the range provided in the 1985-1986 Economic and Social Agreement [AES]. The average gain per hour worked came to around 8.8 percent in April, the last month for which the National Statistics Institute has published data.

All the same, the Ministry of Economy and Finance expects the annual increase in the price index to drop to just over 5 percent beginning in January 1987, since the 2.8 percent attributable to VAT [value-added tax] in January of this year will no longer be included in that figure.

Unknowns in Relation to Employment

The secretary of state for economy, Miguel Angel Fernandez Ordonez, who expressed confidence in Santander that there will be social coordination, told this newspaper that the anticipated 4-percent inflation rate and a similar wage increase are completely compatible with the maintenance of purchasing power and the objective of increasing private consumption (by 3 percent in real terms), on which almost all of the economic growth being sought will depend. Although it is not likely that employment will increase as much in 1987 as it is expected to in 1986—a 1.5—percent increase over the average employment figure of 10.35 million for 1985—he said that the increase in social benefits and other family incomes will be enough to cover the hoped-for consumption.

Despite the macroeconomic importance of wages, the government, the CEOE [Spanish Confederation of Employers Organizations], and the UGT [General Union of Workers] all intend to focus their attention on other areas: productivity, tax policy, increased public investment, technological conversion, profit sharing, pension funds, labor mobility, and the two matters in the AES that are still pending (easier conditions governing mass layoffs and a reform of social security). That is why the sources we consulted assured us that if agreement is reached on those matters, the objective of a 4-percent inflation rate could very well coexist with a salary range falling within the reference figure of 5 percent.

In any case, the government's intention is that the idea that there may be coordination will not prevent failure this year to comply with the constitutional requirement that the state budgets be submitted to Parliament before 1 October [sentence as published].

11798 CSO: 3548/78 ECONOMIC

# INDUSTRIAL CAPACITY PERCENTAGE FOR 1985 REPORTED

Madrid EL ALCAZAR in Spanish 8 Aug 86 p 13

[Text] The utilization of productive capacity in Spanish industry declined by 0.7 percent in 1985, reaching a level of 77.7 percent, according to data provided to the Efe Agency by the Ministry of Industry and Energy.

This slight drop continues the downward trend in the utilization of industrial capacity, which has lasted nearly 4 years now. The trend began in the third quarter of 1982.

The negative result is due primarily to the influence of the intermediate goods subsector, which experienced a considerable slump during the first quarter of 1984.

The main reason for the decline in the utilization of industrial capacity was, according to the same sources, the weakness of domestic demand.

In the capital goods subsector, this factor accounts for 58 percent of the decline for the year as a whole. This result, compared to that of the second half of the year, points to a reactivation in this sector.

In the area of intermediate goods, the fall in demand on the domestic market accounts for 50 percent, a drop of 1 point since last year.

In the consumer goods subsector, the impact of the weakness of domestic demand on the utilization of productive equipment has fallen from 51 percent in 1984 to 46 percent in 1985, due to the increased weight of foreign sales.

The second most important factor in the declining utilization of industrial capacity has been the reduction of exports below the 1984 total. This factor accounts for 11 percent of the decline.

The fall in exports had a more severe impact on the capital goods subsector than on any other, 15 percent. This level has remained unchanged for several years.

The third most important cause of underutilization was difficulties with equipment in some phases of production. This factor accounted for 8 percent of the drop, a similar percentage to those of previous years.

Another factor that has contributed significantly to the slump in the utilization of the production system, according to the report by the Industry Ministry, is financing problems. They accounted for 4 percent of the decrease, 2 points below the figure recorded in the previous fiscal year.

Construction Down 10 Percent in 5 Years

During the 1980-1985 period, the construction sector reported a decline of nearly 10 percent in real activity, and a loss of 271,500 jobs. Only in 1982 and 1985 did construction activity rise, by 0.5 percent in each year. As for the other years, activity fell off by 2.5 percent in 1981 and 1983, and by 5.5 percent in 1984, sources in this sector report through SEN.

Official bidding fluctuated during the period in question. A relatively active period (1980-1982) was followed by a slump in 1983, when real bidding declined by 17.4 percent. In 1983 [as published], however, there was an increase of 30.5 percent.

In terms of types of project, the trend established early in the decade had reversed by 1985. Thus, erecting buildings, which had accounted for 60 percent of all projects in 1980, represented just 42 percent in 1985. Bidding on civil construction projects went in just the opposite direction, attaining 58 percent of total bidding by the end of that period (in the 1983-1984 period, civil construction accounted for more than 2/3 of the total).

The workforce in this sector felt the blow of the crisis; it declined by 173,900 persons, with a loss of 271,500 jobs among the employed population and an increase of 97,600 individuals on the jobless rolls. The unemployment rate remains at 35 percent of the labor force.

Percentage of Industrial Capacity in Use: 1985

	Total	Capital Goods	Intermediate Goods	Consumer
1st Quarter	77.2	74.2	7€.7	79.2
2nd Quarter	78.1	75.2	78.9	78.6
3rd Quarter	76.9	74.2	76.5	78.6
4th Quarter	78.4	72.7	78.7	78.9
Annual Average	<b>7</b> 7.7	75.1	77.7	78.9

8926

CSO: 3548/79

ECONOMIC SPAIN

INVESTMENT LEVEL REPORTED AT 12-YEAR HIGH

Madrid DIARIO 16 in Spanish 16 Aug 86 p 11

[Article by Carlos Azuaga]

[Text] Madrid--The improvement in the rate of investment in the Spanish economy during the year, as predicted recently in the semiannual report of the Bank of Spain, could bring the highest increase in investment in 12 years to the Spanish economy in 1986.

According to these forecasts, investment in Spain could rise by 7.9 percent in real terms (that is, discounting inflation) this year. This figure is far above the growth rate attained in 1985 (4.5 percent), and it approaches the rate reported in the final year of the last economic expansion: In 1974, investment in Spain grew by a real rate of 10.6 percent over the previous year's figure.

#### Traumatic Years

If the positive growth forecast of 7.9 percent is confirmed in 1986, which appears certain, this will also be a record year in recent Spanish economic history. It will be the first time since 1974 that our economy has experienced a growth in investment for two consecutive years.

The years since 1975 have been traumatic ones for the Spanish economy from the standpoint of investment and employment, because the decapitalization of the Spanish economy proceeded at a rapid pace.

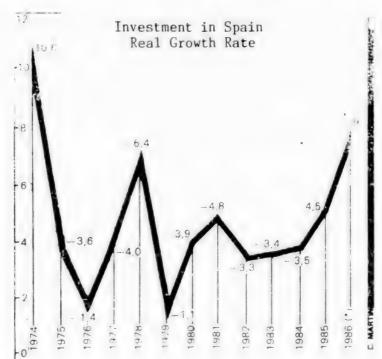
Investment fell steadily after 1975; it was during that year that our country first felt the adverse effects of the economic crisis, which came to Spain somewhat later than the rest of the industrialized world.

All the years between 1975 and 1985, with the sole exception of 1980, recorded year-to-year declines in investment in Spain. The cause of this slump was the sharp reduction in net savings in the Spanish economy. This decrease in savings attained a considerable level, and the recovery in this area is still quite modest in comparison with the levels reported throughout the 1970s.

# Insufficient Recovery

Despite these two consecutive years of recovery in Spanish economic investment, the sum total of resources that Spain earmarks for investment is still far below that of the 1970s. In 1985, for example, investment in the Spanish economy represented only 81 percent of the total for 1974.

Even if investment grows at a real rate of 7.9 percent in 1986, as the official reports are predicting, the Spanish economy will still not have recovered the investment levels of the years prior to the economic crisis. If the 7.9-percent growth rate projected by the forecasts is achieved by the end of 1986, the Spanish economy will still be 12 percent below the investment level of 1974.



(\*) Bank of Spain forecast

8926

CSO: 3548/79

MILITARY EUROPEAN AFFAIRS

DANISH MINISTER: 'DEFENSIVE DEFENSE' WOULD IMPACT NEIGHBORS

Copenhagen BERLINGSKE TIDENDE in Danish 5 Sep 86 p 2

[Article by Thorkild Dahl: "Danish Defense Essential for Norway"; first paragraph is BERLINGSKE TIDENDE introduction]

[Text] Defense Minister Hans Engell says that the debate about a defensive defense reminds him more of a religious conflict than a discussion in an effort to understand each other.

Denmark cannot change its security policy as one changes his shirt. What Denmark does has significance for Norway and West Germany, and for that matter Sweden also. And what they do has significance for us.

Defense minister Hans Engell (Conservative) clearly distanced himself from the proposals to restructure Danish defense into a defensive defense when he was one of the speakers yesterday at a hearing arranged by the Conservative Folketing Group at Christiansborg on defensive defense.

While Defense Minister Hans Engell said that the debate about a defensive defense reminds him of a religious conflict, peace researcher Bjorn Moller from the Center for Research on Peace and Conflict at the University of Copenhagen said that there is no fixed pattern for a Danish defensive defense, and it cannot be introduced overnight.

"The defensive defense is deterrence. If it goes wrong, the results would be very unpleasant, but so would they be with the existing NATO system in which nuclear weapons are involved," said Bjorn Moller.

Klaus Birkholm, who was formerly a Left-Socialist MP said, "a nonoffensive defense in Denmark only has meaning in connection with membership in NATO."

Research leader Arne Olav Brundtland from the Norwegian Foreign Policy Institute in Oslo said that because of its small size Danmark cannot appear threatening to the Soviet Union, and the research leader tied the discussion of a Danish defensive defense together with the relationships with Denmark's neighbors in the same way as Defense Minister Hans Engell.

"Norway has a defensive buildup of forces facing the Soviet Union, but with a concentration of strength in North Norway. Therefore Norway has a direct interest in the defense of the southern part of NATO's northern region," said Arne Olav Brundtland.

The chairman of the interim Folketing Security Policy Committee, Knud Ostergaard (Conservative), called the debate about a Danish defensive defense a "defense-negative excuse to discredit the defense forces."

9287

DEFENSE MINISTER DEFENDS PLAN TO PURCHASE STINGER MISSILES

Copenhagen BERLINGSKE TIDENDE in Danish 6 Sep 86 p 6

[Article by Thorkild Dahl: "Missile Negotiations Again Next Week to Keep to Time Plan"; first paragraph is BERLINGSKE TIDENDE introduction]

[Text] The purchase of 850 American Stinger missiles for the Defense Department has the highest priority for the Army in the current defense compromise. The contract will be signed before the end of the year due to the planned financing.

Defense Minister Hans Engell (Conservative) believes that it is important that negotiations for the purchase of the close air defense missile Stinger can continue so that satisfactory compensation agreements for Danish industry can be signed together with the total order in December. "It is important that deadlines be met. That applies both economically and militarily. Close air defense missiles are given the highest priority for the Army in this compromise period," said Defense Minister Hans Engell after a debate in the yesterday. The so-called 11-man committee committee consists representatives of the government parties and the Social Democrats who stand behind the current defense compromise. The Social Democrat defense policy spokesman, Knud Damgaard, has sharply criticized the defense minister's choice of the American Stinger missile at the expense of European missile types, and after the meeting Knud Damgaard said that he expects a number of meetings on the issue.

At the meeting Defense Minister Hans Engell regretted that the committee did not feel that it was satisfactorily oriented about the decision to go ahead with negotiations to purchase 850 Stinger missiles. "The committee naturally requires a high level of information, and I am sorry if they do not feel sufficiently informed. But at the same time I say that there has not been a procedural error on the issue." The Liberal Party member of the 11-man committee, Peder Sonderby, said after the meeting yesterday that it is excellent that the committee is now getting an orientation on the various types of missiles, but the committee cannot sit as a second Defense Command and choose types of weapons. "It must be the minister's job to make the decisions based on the advice of his military experts," said Peder Sonderby.

9287

DENMARK

NATO OFFICERS GIVE HIGH MARKS TO COUNTRY'S SOLDIERS

Copenhagen BERLINGSKE TIDENDE in Danish 3 Sep 86 p 7

[Article by Erik Boesgaard: "NATO Commends Danish Soldiers"]

[Text] "Denmark must not reduce its defenses any more," said the chairman of the NATO Military Committee, Netherlands General C. de Jager, yesterday during a visit at Kastrup Air Station. The Military Committee, which includes about 36 members, has been in Denmark during recent days. Together with the queen and the prince, they have been the guests of Defense Minister Hans Engell at a dinner at Frederiksberg Castle, and have been embarked out in the Sound onboard corvettes and motor torpedo boats. The visit ended yesterday with a demonstration of Danish air and land forces in Karup and on the training grounds by Finderup, from where the tour went on to Norway.

There was general satisfaction among the foreign guests. "What we have seen is good, the soldiers go to their duties with enthusiasm and serve their ships, aircraft and other material with skill, but the numbers should not be reduced further," warned General de Jager.

Among the Danish soldiers which the guests had an opportunity to see in action was a demonstration unit from the Fyn Life Regiment which demonstrated operational refuelling of the Leopard tank, and which served samples of the Army's standard field rations. A German general was especially interested in the soldiers' self-made chile con carne, which he thought tasted totally delicious, but which he feared would be hard on the stomach during actual field conditions.

"It is exciting to see the the Danish Army's mobilization system," said the Commander of the Allied Forces in the English Channel, Admiral Sir Nicholas Hunt, who was impressed that over half of the Fyn Armored Battalion could be called up in two days and be ready to go into the field as an effective wartime battalion.

9287

#### FORCES COMMANDER REJECTS SDP CHARGE OF EXCESS SERVICE RIVALRY

Copenhagen BERLINGSKE TIDENDE in Danish 2 Sep 86 p 7

[Article by Nils Eric Boesgaard: "Defense Chief: The Three Services Cooperate"; first paragraph is BERLINGSKE TIDENDE introduction]

[Text] Chief of Defense Admiral S. E. Thiede rejects the Social Democratic Party's [SDP] assertion that rivalry between the services is costing the defense forces millions of kroner.

"I do not appreciate the assumption that there is no unified planning in Danish defense leadership," said Admiral S. E. Thiede to BERLINGSKE TIDENDE.

"Denmark is one of the countries which has gone the farthest in integration of the three services in our defense leadership and our defense staff, and it is my firm conviction that everybody is doing his best to cooperate loyally on common solutions," said the chief of defense.

Officers in the defense establishment did not wish to comment further on Knud Damgaard's accusations by naming names. But there was unity in the belief that it was a new phase in his and especially his military advisors' vendetta against the current military leadership.

Knud Damgaard especially has a bone to pick with the Navy. This has been primarily aimed against the frigates and the submarines, which he has demanded be eliminated, but which all domestic and foreign experts agree are essential for forward defense in the Baltic.

This again came out in his statement on Sunday when he spoke about the Navy's request for Lynx helicopters for tasks which the Air Force's F-16 aircraft could already carry out. It is correct, say those in both the Defense Command and the Tactical Air Command, that helicopters and fighters can be used for target designation for antiaircraft missiles, but that is the only function which the two types of aircraft share.

But it is just as difficult to see how an F-16 could evacuate a sick Greenlander from an outpost on the east coast of Greenland as it is to see how a Lynx helicopter could oppose a supersonic combat aircraft.

As for the F-16 aircraft, it is also very doubtful that in a wartime situation they will be available for target designation during a counterattack against an enemy invasion fleet. They will probably have their hands full stopping enemy air forces, according to the experts.

9287

HOME GUARD ORGANIZATION, RESOURCES, MISSIONS OUTLINED

Copenhagen BERLINGSKE TIDENDE in Danish 17 Aug 86 Sect III p 8

[Article by Nils Eric Boesgaard: "Defense on the Job--7 (final). Shoot First, Then the Underground Will Help"; first paragraph is BERLINGSKE TIDENDE introduction]

[Text] Eight thousand men and women are members of the Home Guard. It is the largest and best organized peace movement in Denmark today. The movement is strongest on Bornholm, because there they worked at fighting for freedom from Sweden and being occupied by the Russians.

Once upon a time, long, long ago a soldier walked along the beach on Bornholm. Suddenly he saw an enemy invasion fleet nearing the coast. He stood there paralyzed with fright, but then he heard a little voice which said, "Load and shoot." Automatically he did as he was told, and when he had fired off the first shot there was suddenly an entire army of the underground behind him—with rifles, cannons and cavalry—and they drove the enemy back into the sea.

"That is a Bornholm folk tale," said Lieutenant Colonel Jorgen Clausen, the head of Bornholm's Home Guard.

"The moral is as good today as it was then," he added. "The conditions for for the underground--the allies--coming to help you are that you be prepared to make an input yourself."

It should not surprise anyone that Bornholm is one of the most defense conscious areas in the country. It is the only part of the present Denmark which, by its own efforts, fought its way back into the kingdom (during the Swedish Wars in 1658) and it is one of the very few areas in Europe which happily was released from Russian occupation (1945-46).

And Bornholmers are still ready to fight for their island. There are 1400 Home Guardsmen on the island, divided into Army, Air Force and Navy Home Guard. That is almost three percent of the local population, or more than double the percentage of the rest of the country, said Lieutenant Colonel Clausen.

The other day BERLINGSKE SONDAG went on exercises with a platoon of the Home Guard from Ronne under the command of Captain Knud Erik Hansen, who in everyday life is a bank manager outside of Hasle.

# An Elementary Exercise

It was a very elementary exercise in which the Home Guard's basic tasks were exercised: guarding, protecting and inspecting. The enemy were civilian-clad saboteurs, "perhaps Soviet spetsnaz personnel" like those who, many years ago, "forgot" a gas mask and other equipment at Hammershus.

The Home Guardsmen went about their tasks with enthusiasm, and they apprehended saboteurs who, disguised as refrigeration electricians, tried to bluff their way through with typical Danish contempt for authority. They were discovered when a check post found a rifle in their truck, but the Home Guardsmen did not discover a tool box filled with explosives which was pointed out during the critique after the exercise.

The time is past when Bornholm's Home Guard and the Bornholm Militia were given material and equipment which was worn out from other parts of the country. As with the Army on Bornholm, the Home Guard's equipment is entirely up to date, perhaps even better and more abundant than in many other parts of the country.

The standard weapon is the German G-75 rifle and the light machinegun MG-62. Furthermore there are a number of Carl Gustav antitank cannons, and the radio material is the latest type.

The green Army Home Guard numbers about 1000 men divided into nine companies. In addition there is a large and effective division of the aircraft-reporting corps which plays a vital role in the warning service on the island.

"We are especially looking for helicopters," said the chief of the Aircraft-Reporting Squadron at Ronne, Captain N. K. Rasmussen, at the top of the 10-meter-high lookout tower from where he has an impressive view over the beautiful Bornholm landscape.

"When we sight a jet aircraft it is too late, but it is a 20-minute flight by helicopter from the Polish coast to Bornholm. And it is helicopters with small enemy forces which comprise the greatest threat to the island. It is therefore of great importance both for the Army Home Guard and the regular troops that we can point out the place from here that the enemy helicopters are landing," said the captain.

# Lookout Post Facing East

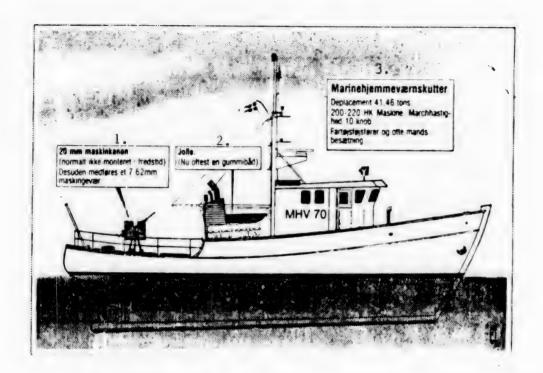
In the observation posts of the ll lookout towers around the island are the older members of the Aircraft-Reporting Corps at their daily tasks as observers. They know what they are looking for, and how to report their observations to the nearest post. The report is sent from there to the so-called low-warning center where there are representatives of all the services and the Civil Defense Corps. They decide how the information can be used.

"For example it could be observation of explosions or measurement of radiation," said Captain Rasmussen.

Bornholm's great importance for Denmark's defense is as a lookout post toward the East. The large, modern radar station in the middle of the island looks out over the entire Baltic and deep down into Central Europe, but the island lies so near the most important shipping routes that it is possible to observe many of the most important Warsaw Pact naval movements with the naked eye from the coast. This task has so far been carried out by the Womens' Naval Corps. But now it is planned that the girls will be assisted by a male Naval Home Guard Flotilla.

The commander is already designated. It is the popular harbor master of Nexo, Shipmaster Viggo Simonsen, who is a lieutenant in the Naval Reserve. "There was a home guard flotilla on Bornholm about 10 years ago, but it was closed down because of lack of membership," he said. "I already have a nucleus in the form of a deputy commander, who is my assistant harbor master and a shooting instructor. We will begin recruiting people in the fall, and I expect that I can have the new flotilla sailing during the spring of 87. It should not be difficult. We have 150 fishermen who live in Nexo and many of them have been in the Navy," said Viggo Simonsen.

There are 80,000 Home Guard men and women in Dennmark. It is without comparison the largest and best organized group of peace activists in the country. "We will also come when it rains," said one. They are average Danes. The company in Ronne consists of craftsmen, office workers, workmen and others under the command of a bank manager. They are ready to lay their lives on the line for their island as Jens Kofoed did when in 1658 he shot the Swedish commandant at Hammer hus, Johan Printzenskold, or as the unknown soldier in the folk tale, whose shot called the underground to come and help. They only hope that the politicians will appreciate their input and back them up.



Caption: It is a cutter such as this--perhaps older, perhaps newer--which is the center of life in a Naval Home Guard Flotilla such as the one now being established on Bornholm. The commander, Harbor Master Viggo Simonsen, expects to have it sailing next year.

- Key: 1. 20 MM Machine Gun (normally not mounted in peacetime) In addition a 7.62 MM machine gun is carried.
  - 2. Dinghy (now usually inflatable)
  - Naval Home Guard Cutter
     Displacement 41.46 tons
     200-220 HP Engine. Speed 10 knots.
     Captain and 8-man crew

FEDERAL REPUBLIC OF GERMANY

KRAUSS-MAFFEI/DIEHL RELEASES DETAILS OF PUMA ACV FAMILY

Bonn WEHRTECHNIK in German Aug 86 pp 50-56

[Article by Wolfgang Flume: "The Versatile PUMA ACV--New Combat Vehicles From Krauss-Maffei/Diehl"; first paragraph is WEHRTECHNIK introduction]

[Text] Developing a new armored vehicle from one's own resources, without financial support from the national armed forces, is always a risky affair. If enterprises nevertheless dare to do so they must have courage, on the one hand, and must be able to see good marketing opportunities, on the other hand, or they must be convinced of the "uniqueness" of their proposal. This is true of the new PUMA family of light armored vehicles which is currently being developed by Krauss-Maffei and Diehl with a view to replacing the tens of thousands of M-113's throughout the world--but perhaps also as a new mortar vehicle for the Bundeswehr. The more than 20 vehicle variations are said to weigh 16 to 28 tons and possibly even 34 tons and are a good value and reliable as a result of the use of proven military or civilian components.

Development of a successor to the M-113 which would be a good value has already been attempted by a number of enterprises throughout the world; the fact that Krauss-Maffei and Diehl are now added to this number is noteworthy for several reasons:

The M-113, more than 75,000 of which are in the hands of numerous armed forces worldwide and have proven themselves, is, at least with respect to procurement, a vehicle which is a good value on the basis of the large series and simple layout. Any "successor model" must therefore propose to provide better performance at roughly the same price or must be "cheaper" given equal performance capabilities—the latter proposition has now become the domain of those countries outside of Europe and the United States which have also been developing armored wheeled and tracked vehicles and have been building them for some years, and have quite successfully been exporting them, largely because of low wages. A developer from expensive, highly industrialized countries must, therefore, already offer something special. This is particularly true when such a developer receives neither financial nor conceptual support from the armed forces of his country and is, thus, dependent on export. And if the developer should be from the FRG he suffers additionally as a result of laws which strongly limit arms exports.

None of this discouraged the Diehl (who were seeking a universal carrier vehicle for its modern 120-mm mortar, to be loaded from the inside) and Krauss-Maffei after checking all of these questions from investing in the development of a new vehicle family which is referred to by the English designation of Armored Combat Vehicle, abbreviated ACV, and which was given the name of the predatory cat PUMA in continuation of the tradition.

Conceptual investigations were begun in 1983. Development was then concentrated, beginning in 1984, and led at first to construction of a prototype (still made from mild steel) which underwent testing at the beginning of 1986. This prototype is to be tested this year also with a Diehl- and Krauss-Maffeideveloped turret housing the above-named 120-mm mortar, as well as with an E-4-Al turret made by KUKA Wehrtechnik and housing a 25-mm Mauser cannon. The mortar was assembled during the first months of this year and fired in April and the self-propelled mortar was then completed in June. This prototype has a turret track diameter like that of the LEOPARD I combat tank--this provides adequate room for the mounting of all types of turrets when adapter tracks are installed. This year construction of a second prototype (made of armored steel and possibly structured like an armored personnel carrier) is to begin and this vehicle is to be completed next year. At the beginning of next year a second mortar turret is to be built.

How Is the PUMA Now To Stand Out?

The general requirement was: It should not cost substantially more than an M-113, but it should present more factors such as mobility, armor protection, larger payload, versatility. In order to attain this without incurring substantial cost overruns, the layout was handled consistently in accordance with the principle of "design-to-cost," which does not always lead to optically pretty solutions, but provides the user with decisive advantages.

# High Versatility

In order to achieve tactical flexibility and universal applicability, it must be possible to build numerous variations on the basis of a basic vehicle, all of which (with the exception of actually only the combat tank) can take over all of the missions assigned to armored vehicles in the hands of combat and combat-support troops. This results in vehicle masses of about 16 to 28 tons—a relatively wide span—which are then divided into two classes: 16 to about 22 tons and 23 to about 28 tons. The lighter—weight class will likely make do with four bogey wheels per side instead of the generally planned five bogey wheels. If six bogeys are used then the mass of the lengthened vehicle could be raised to about 34 tons. This provides for service loads between 12 and 16 tons. Depending on the vehicle weight or upon customer requests, it is possible to install power plants having various capacities—320—, 440—kw or larger. More will be said later about the various vehicle variations which are currently in the planning stage.

# Design-to-Cost

The design-to-cost process leads to a vehicle characterized by high performance capabilities through the use of proven components and simple layout:

#### a. Simple Fabrication

In order to achieve low fabrication costs and possibly not to be able to build the vehicle in a highly developed foreign country, a complicated welded structure was largely avoided. This led to the use of large, very often perpendicularly welded steel plates and to an arrangement of components within the vehicle which require relatively little alteration for the individual versions. Since the anticipated largest number of vehicles to be built will be the armored personnel carrier the inevitable result was a front-wheel drive with an adjoining crew compartment for soldiers, ammunition, or weapons turrets or special equipment, which can be accessible from the rear or from above.

# b. Proven Components

Particularly with respect to the tracks and suspension system, which, like the power plant, occupies an essential share in the operating costs, proven components were used: bogeys and support wheels, steering rods, shock absorbers, support arms with bearings, reversing pulleys, crown gears, the track, hydraulic buffers, the driver's seat, and instrumentation came from the LEOPARD 1; the hydraulic track tension device, the drive sprocket, the bilge pumps, and components for the cooling system, as well as the ventilator, came from the LEOPARD 2. Additional components such as NBC facilities, fire-fighting equipment, heater, generator, voltage regulator, cables and terminal connections, etc., came from other proven wheeled and tracked vehicles. In other words, the effort to develop everything from scratch was resisted. This will result not only in lower acquisition costs, but also in lower operating costs since the partial overdimensioning of these components for the light vehicle will result in lower wear and tear which will, in turn, exert a positive influence on availability. The ACV family thus offers an ideal vehicle for land forces which already have the LEOPARD 1 or LEOPARD 2 in service--quite particularly the Bundeswehr.

# c. Civilian Components

Cost reduction is also contributed to by the use of commercial components which have been proven with respect to civilian vehicles. In first place in this respect is the power plant:

- i. either the turbocharged MAN diesel D-2866KE (six-cylinder) with 320 kw (440 HP) in combination with a six-gear Wandler Model 6 HP 600/STV 600 gearshift mechanism made by ZF. The latter belongs to the family of contemporary bus transmissions, which also provided the gear mechanism for the 1 FUCHS transport tank;
- ii. or, for the heavier version, the MAN diesel D-2848LE (eight-cylinder) with 440 kw (600 HP), together with the Model LSG-2000 automatic truck gearshift mechanism, also manufactured by ZF.

Use of these power plants results in a performance weight of 18.4 to 13.4 kw/t (25 to 18 HP/t) with respect to the lighter vehicle class or 19 to 15.7 kw/t (26 to 21.4 HP/t) for the heavier-class vehicles. Naturally, it is possible to install even stronger power plants.

It goes almost without saying that the engine, transmission, cooling system, and fuel filter facility are handled together in the form of a compact block which can be rapidly installed or removed.

But There Are Also New Ideas

As conventional as the vehicle may be in accordance with this description, new ideas have penetrated into the layout of the chassis. A new development, although it uses proven hydrostatic components, is the steering gear which was placed beneath the cooling system and which, as is the case with the LEOPARD 2, permits the infinitely regulable steering and turning of the vehicle about its vertical axis. Since the steering gear provides the correct number of revolutions per minute to facilitate motion, it was possible to forego the use of a side-mounted transmission. The previously mentioned track tensioning device located at the rear guide pulley functions hydraulically and is only now being installed for the first time in the Swiss LEOPARD 2 tank. The "reverse" hinging of the last bogey (the support arm points forward) which prevents the occurrence of the "spearing effect" when moving in reverse is probably unique.

The elastic mounting of terminal drives, guide pulleys, and support pulleys is said to be an option. This reduces the transmission of vibration from the running gear to the vehicle body, so that the vehicle promises to be very quiet.

Varying Protection

Depending on requirements, the ballistic protection of the chassis can be varied, essentially through altering the wall thickness. With all-round protection against 7.62-mm ammunition, the weight of the chassis is 16 tons; with all-round protection against 14.5-mm ammunition, it rises to 17.1 tons. The same weight results from providing protection in the front and up to  $30^{\circ}$  along the flanks against 20-mm ammunition provided one is satisfied with protection against 7.62-mm ammunition for the rest of the areas. The design and the high payload, however, also permit a substantially stronger armor to be used.

Versatile Use

According to data provided by the companies, more than 20 vehicle variations are possible providing combat and combat-support troops with a possibility of many-sided applications:

- a. support through mortar fire,
- b. command functions,
- c. reconnaissance,

- d. reconnoitering,
- e. tank defense,
- f. antiaircraft defense,
- g. mine launching,
- h. fire control,
- i. transport,
- j. recovery.

Some variations will be briefly introduced in the following text.

120-mm Self-Propelled Mortar

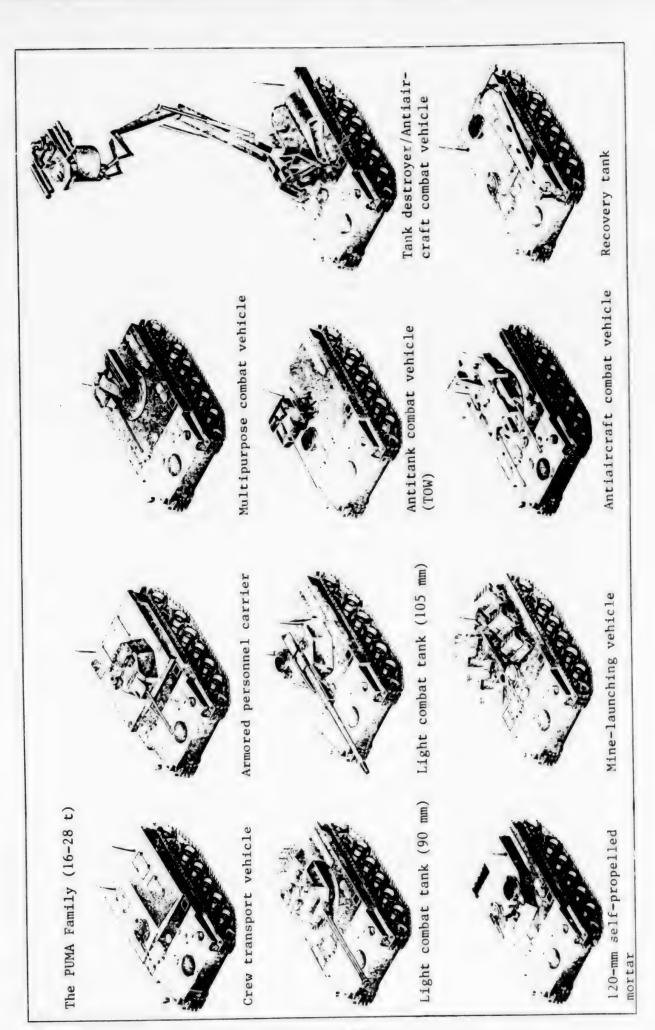
The self-propelled mortar has a four-man crew: driver, commandant, gunner, and loader. The turret is turnable along the azimuth by 145° and when subjected to firing stress is supported by an axial-radial roll wire bearing beneath the turret body. Horizontal forces are passed on to the vehicle housing via the turret frame. The 120-mm weapon is mounted in the turret on a twopoint support system: the firm point is a trunion on the turret housing, the base plate of the weapon is supported by a circular segment which is connected with a base plate of the turret body. The turret is turned manually along the azimuth by the gunner with a crank handle which operates a worm gear which in turn operates a ring gear located along the roll wire bearing. Elevation of the weapon is also handled by a hand crank which uses a worm gear spindle to displace a jacket which is connected with the lower portion of the weapon by a toggle mechanism. The upper portion of the weapon is a movable tube which is placed in the horizontal position for purposes of loading. Projectiles can thus be introduced under tank and NBC cover. A hand lever is then used to bring both tube segments into a coaxial position where they are secured and sealed by a sliding sleeve. The projectile then drops into the lower portion of the tube just like it does in a standard front-loading wea

The gunner has a statically stabilized periscope which is directly connected with the weapon. A plumbing device mounted on the periscope controls electric motors in such a way that the periscope is always in a vertical position and the line of sight always points in the direction of the fire with the azimuth placed in the zero position.

The layout of the mortar guarantees a high degree of availability. A special characteristic is the simple and high-speed reloading under armor protection.

Personnel Carrier, Radio and Command Vehicle

This vehicle, which is to be armed with a machine gun, has a capacity for carrying 12 fully equipped soldiers—in addition to the driver who sits forward and to the right next to the power plant (a six-bogey chassis can carry 14



soldiers). Large rear doors or a hatch cover permit rapid mounting and dismounting or the loading of the vehicle as a transport tank with up to 12 tons (the elongated version up to 16 tons) of payload. The large volume also facilitates the taking along of bulky cargoes or provides ample room for radio and command gear.

# Armored Personnel Carrier

Here, thought was given to the integration of one- or two-man turrets with 20-to 40-mm machine cannon. In the rear area, up to 8 armored infantrymen (10 in the 6-bogey version) can be carried and can fire from ceiling and side ports while being protected. The combat weight of the vehicle is between 18.5 and 22 tons.

# Light Combat Tank--90/105-mm

The PUMA chassis is in a position to accept two- or three-man tank turrets with on-board cannon having a caliber of between 60 and 105 mm, or, perhaps, the Israeli 60-mm cannon or one of the many 90-mm low-pressure guns or the 105-mm weapon with a low recoil, which is currently under development, such as the 105-mm-SLR made by Rheinmetall. Through adapted protection devices, such as special armor, vehicle protection can be decisively improved within the framework of what can be accomplished from the standpoint of weight.

#### Antitank Missile Vehicle

Here, equipping the vehicle with the most varied antitank guided missiles, such as MILAN, HOT, and TOW, in the most varied mounting modes is feasible. The large combat area permits the taking along of at least 12 missiles. Based on experiences collected by Krauss-Maffei involving the development of an elevatable platform for the tank-hunter/antihelicopter combat vehicle for the Bundeswehr, such an elevatable platform--elevatable to a height of 12 meters and either manned or unmanned--is being proposed for the PUMA. With respect to the manned version, the gunner sits in a cabin on a platform which is maneuverable along the azimuth with four antitank or antiaircraft missiles.

#### Antiaircraft Combat Vehicle

Of course, Krauss-Maffei is proposing the WILDCAT as the antiaircraft system, which is a modern two-man turret with two 30-mm Mauser cannon and a modern fire-control system, which is available in five variations: from the fair-weather system through an all-weather system with radar and infrared devices. Ammunition feed is beltless. The vehicle carries 800 rounds, with 400 rounds for each weapon.

#### Mine Launcher

In imitation of the mine-launching system which was introduced to the Bundes-wehr this year, this variation was designed with 6 mine-launching units, each of which carries 100 AT-2 tank mines. With a combat load and two-man crew a minefield 60 meters in width and 1,500 meters in length can be laid within 10

minutes under armor protection and the density of the field would be  $0.4\,\mathrm{mine}$  per meter.

# Recovery Tank

Equipment carried in and on the vehicle rear can include the following:

- a. hydraulic winch,
- b. 360° traversable crane outrigger,
- c. hydraulic hoist winch,
- d. hydraulic blade which also serves as a support during crane and winching operations.

# Logistics Concept

Let us only briefly mention that Krauss-Maffei had worked out a voluminous logistics concept for the PUMA family which extends from spare parts to workshop equipment, from technical documentation through training devices and the training of crews and maintenance workers. Because of the use of the previously named tried components, the provision of spare parts has been essentially widely secured.

# Marketing Opportunities

Judging by the layout, the PUMA would have to have very good marketing opportunities—the extent to which these can be realized will be shown in the future. Naturally, because of export limitations, the chances primarily involve NATO countries which will have quite a large demand over the next few years. But the Bundeswehr should also look at these vehicles more closely; after all, this development shows that new tracked vehicles can be developed and built while using proven components and relatively modest funds. Naturally, the firms involved and obviously Diehl in particular are thinking primarily of the self-propelled mortar, since the opportunity presents itself simultaneously to decisively strengthen the "artillery of the infantry."

# [Box, p 52]

# Technical Data of the PUMA Chassis

Weight, according to protection provided	16-17.5 t
Length	5.50 m
Width	3.25 m
Height	1.71 m
Track width	0.55 m
Chain rise	2.97 m
Ground clearance	0.45 m
Ability to climb	0.93 m
Ability to cross a trench	2.30 m

# Technical Data of the PUMA Chassis (continued)

Ability to drive up incline	60%
Ability to drive in banked position	30%
Velocity	65 km/hr
Range (highway)	650 km
Fuel tank capacity	500 1

	Standard	Option Option
Engine	MAN D-2866KE	MAN D-2848LE
Capacity	320 kw/440 HP	440 kw/600 HP
Transmission	ZF 6HP 600/STV 600	ZF LSC-2000
Electrical	2 batteries 12 v 100 Ahr	2 auxiliary batteries 12 v 100 A
system	1.5-kw generator	5-kw generator
		9-kw generator
Equipment	Heating and ventilation	Crew compartment cooling system
	facility	Fire suppression system
	Fire-fighting equipment	Deep wading facility
	NBC protective devices	Equipment to facilitate underwa- ter movement
Track	Diehl 640-A (LEO-1-D)	Double-pin track, rubber-clad (Type 139-EZ)
		Double-pin track with one-piece track members (Type 840)
		One-pin hinge track, dry mounted (Type 140)
Running gear		Elastically mounted terminal drive
		Elastically mounted guide and support rollers

[Box, p 56]

# Self-Propelled 120-mm Mortar

Total weight	Approximately 22 t
Internally mounted turret	
Aiming device	Manual
Aiming range	±45°
Aiming device	Statically stabilized periscope by Hensoldt/Diehl and a collimator by Hensoldt
Reflecting square	7 for the commandant
All-round vision periscope	For the gunner
Main armament	
Length of tube	1.80 m
Firing rate	Approximately 15 rounds/minute
Maximum range	Approximately 6,800 m for DM-11A4 projectile
	Approximately 8,000 m for a range-

# Self-Propelled 120-mm Mortar (continued)

Ammunition in turret
Ammunition carried on vehicle
Secondary weapons

Approximately 20 rounds
Approximately 60 rounds
7.62-mm machine gun with 250 rounds
belted
300 rounds carried on the vehicle

5911

CSO: 3620/814

### THOMSON REPORTEDLY TO RESTRUCTURE MILITARY BRANCH

Paris L'HUMANITE in French 6 Sep 86 p 8

[Article by Pierre Laurent]

[Text] It was a full week at Thomson: salaried management employees meeting with chairman of the board Alain Gomez; the group committee and company central committee summoned on the same morning, 5 September; branch committees of several subsidiaries meeting one after the other.

What is behind the commotion, which top executives seem to want to downplay? Actually, it is a reorganization of the firm's military branch that is commencing and its consequences could well shake the whole Thomson structure.

The current military branch of the firm called the Equipment and Systems Branch (BES), is being split into three sections: an aeronautical branch, a systems and weapons branch and a detection, control and communications systems branch. A fourth section includes the financial and service activities of the group.

At first glance, there is nothing much to make a fuss about. No one is talking about any restructuration, much less of overall plans to eliminate jobs. Management has called the reorganization a "redefinition of perimeters."

And yet, it is serious business: an actual breakup of the strategic branch of the group in order, to use the phrase of Alain Gomez, "to put it in a position to seize any opportunity of linking up with French or foreign enterprises." At the proper time, a given branch might become a company and see 50 percent of its capital taken over by an American or British firm.

For the government, which, with public weapons orders, holds one of the keys to the very life of the enterprise, as well as for company management, the purpose is clear: to encourage the integration of our military activities into a Euro-American strategy. For the group, only financial profits matter. Little do national independence and the creation of wealth on national soil count, any more than cooperation with Third World or socialist countries.

Thus it is that Sodeteg, an engineering subsidiary of Thomson, which, in addition to military facilities, builds hospitals in the Third World or delivers turnkey plants to socialist countries, will now be integrated into the firm's military branch. Increasingly, this steering of the firm's activities and products by military programs dictated by Reagan will be stepped up to the detriment of French production activities.

The abandonment of different types of production will be further reinforced by the enormous financial needs implied by this strategy of foreign alliances and purchasing. Sales such as those of Socapex in component parts bring in substantial short-term gains. They could be multiplied in all the branches of the firm.

Effects on employment will inevitably be major. One figure bandied about by different management circles is 10 percent of all jobs eliminated. In a branch that has 42,000 wage earners one can see the implications.

Operations already carried out give an idea of what lies ahead. In component parts, with Thomson selling Socapex in France and buying Mostek in the United States, management has just announced the elimination of 1,000 jobs at Elfis, one of the firm's most modern plants.

Another example: the RITA contract signed with the Pentagon and presented as the contract of the century. Actually for a few royalties. RITA technology was sold to the American GTE, which now competes with Thomson on all potential markets. The jobs and manufacture have gone to the United States. At the present time, RITA manufacturing will involve some 20 persons in France and total only 8 million francs for all of 1986.

Is the announcement of this reorganization linked with the coming return of the the firm to the private sector? The current process bears no resemblance to a break: the breakdown into component parts where the public has already shown the way. Alain Gomez, the socialist chairman of the board brought back by Chirac, is the first to admit it. But the restoration to private ownership will prod Gomez into plunging into this strategy of surrender and military integration.

The breakup of the military branch is therefore but the first phase. The essential thrust will come bit by bit, company by company. This is where the strategy might break down. Wage earners, like those at Sodeteg fighting to continue their civil engineering activities, those in the medical branch who prevented the sale of the CGR and those at Thomson-Sartrouville, fighting to develop civil applications of radar and detection, have already proved it.

11,464 CSO: 3519/246 ENERGY

#### BRIEFS

IRAQI DEBT REPAYMENT -- Iraq will repay its debt to Cyprus in currency, not in oil. At least, this is the promise made to Minister of Finance Khr. Mavrellis and to the members of the Cypriot delegation by Iraqi Government authorities. According to information reaching our newspaper, the Iraqi Government rejected a proposal by Mr Mavrellis to settle its debt to the Cypriot Government by supplying it with cil of equivalent value. Specifically, the Iraqis maintained that the repayment of debts to various countries in oil is not within the framework of their policy. For this reason, and so as not to create a precedent in relation to other countries, the Iraqi Government rejected our proposal, according to which its 33-million dollar debt could be settled through oil shipments. On the contrary, the Iraqis promised to repay their debt to Cyprus in currency, beginning to gradually repay those amounts that have already fallen due. These amounts represent only 5 million dollars, and they will have priority. As for the rest (28 million dollars), we have learned that the Iraqi Government promised Mr Mavrellis to settle the debt at the exact time when payments come due. Meanwhile, Cyprus agreed to purchase 20,000 tons of Iraqi crude oil at the prevailing price on the date of purchase. The oil is expected to be delivered at the end of the week, and it is estimated that it will cost us about 2 million dollars if international prices remain at their present level, that is, 13.5 dollars a barrel. [Excerpt] [Nicosia I SIMERINI in Greek 27 Aug 86 p 14] /8309

CSO: 3521/253 END

# END OF FICHE DATE FILMED 28 Oct 1986